



# ONTARIO ENERGY BOARD

**FILE NO.:** EB-2012-0047

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**VOLUME:** 1

**DATE:** February 7, 2013

**BEFORE:** Paula Conboy                      Presiding Member  
Cathy Spoel                                  Member  
Emad Elsayed                                Member

**THE ONTARIO ENERGY BOARD**

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

**AND IN THE MATTER OF** an application under section 74 of the Act by Horizon Utilities Corporation for a licence amendment;

**AND IN THE MATTER OF** a motion by Horizon Utilities Corporation;

**AND IN THE MATTER OF** a motion by Hydro One Networks Inc.

Hearing held at 2300 Yonge Street,  
25<sup>th</sup> Floor, Toronto, Ontario,  
on Thursday, February 7th, 2013,  
commencing at 9:40 a.m.

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VOLUME 1  
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BEFORE:

PAULA CONBOY      Presiding Member

CATHY SPOEL      Member

EMAD ELSAYED      Member

A P P E A R A N C E S

RICHARD LANNI MAUREEN HELT	Board Counsel
JUDITH FERNANDEZ	Board Staff
DENNIS O'LEARY	Horizon Utilities Corporation
MICHAEL ENGELBERG JIM MALENFANT	Hydro One Networks Inc.
SCOTT STOLL	Brant County Power, Essex Powerlines, EnWin Utilities Ltd.
ROBERT MALCOLMSON	Multi-Area Developments
RICHARD STEPHENSON	Power Workers' Union (PWU)
JAY SHEPHERD	School Energy Coalition (SEC)

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1 Thursday, February 7, 2013

2 --- On commencing at 9:40 a.m.

3 MS. CONBOY: Good morning, everyone. Please be  
4 seated.

5 The Board is sitting today to hear an application  
6 filed and subsequently amended by Horizon Utilities  
7 Corporation for an order of the Board to amend Horizon's  
8 licensed service area. The Board has assigned EB No. 2012-  
9 0047 to this proceeding.

10 Horizon seeks to expand its distribution service area  
11 to include specific lands currently located in Hydro One  
12 Network's licensed service area, the specific areas of land  
13 titled in the application and for the purposes of this  
14 proceeding parts I through V and as described in Horizon's  
15 application and subsequent amendments.

16 The Board intends to proceed today with the hearing of  
17 parts I through part V of the application separately; in  
18 other words, one part at a time.

19 We recognize that this will imply that witness panels  
20 may have to switch frequently as we go from one part to  
21 another, but the Panel is of the view that proceeding in  
22 this manner will provide for a more efficient and focussed  
23 hearing. We will deal with those specific arrangements  
24 after we get appearances.

25 The witnesses will not need to be re-sworn each time  
26 they take the stand. The Panel would like to remind  
27 parties that cross-examination on each part should be  
28 limited to the facts in issue and not concern principles of

1 policy which are probably -- are properly, rather, the  
2 subject matter for argument.

3 The Panel also asks that parties avoid duplication in  
4 questioning and avoid, as much as possible, reiteration of  
5 evidence that's already on the record through the prefiled  
6 evidence or answers to interrogatories.

7 My name is Paula Conboy and I will be presiding over  
8 today's proceedings. With me today are Board members Cathy  
9 Spoel and Emad Elsayed.

10 May I have appearances, please?

11 **APPEARANCES:**

12 MR. O'LEARY: Good morning, Madam Chair. Dennis  
13 O'Leary for Horizon Utilities Corporation.

14 MS. CONBOY: Good morning, Mr. O'Leary.

15 MR. ENGELBERG: Good morning, Madam. Chair Michael  
16 Engelberg, counsel to Hydro One Networks Inc., and I have  
17 with me Jim Malenfant, senior regulatory advisor.

18 MS. CONBOY: Good morning.

19 MR. ENGELBERG: Good morning.

20 MR. SHEPHERD: Jay Shepherd -- Jay Shepherd, School  
21 Energy Coalition.

22 MR. STOLL: Scott Stoll, for Brant County Power, Essex  
23 Powerlines and Enwin.

24 MS. CONBOY: Good morning, Mr. Stoll.

25 MR. STEPHENSON: Good morning, Madam Chair. Richard  
26 Stephenson, counsel for the Power Workers' Union.

27 MR. MALCOLMSON: Good morning. Robert Malcolmson for  
28 Multi-Area Developments.



1 MS. CONBOY: Mr. Malcolmson.

2 MR. LANNI: Richard Lanni, and with me is Maureen  
3 Helt, counsel for the Board. Also with me is Judith  
4 Fernandes, Board Staff.

5 **PRELIMINARY MATTERS**

6 MS. CONBOY: Good morning, Mr. Lanni.

7 I have a few preliminary matters of my own that I  
8 would like to start with before I ask whether any parties  
9 do.

10 Mr. O'Leary, I understand that you would prefer to  
11 start with your examination in-chief and overview on all  
12 five parts before we get to dealing with the initial --  
13 each part sequentially; is that correct?

14 MR. O'LEARY: Madam Chair, I've gone through our  
15 materials and tried to segregate out those issues that are  
16 specific to the separate parts and would deal with those as  
17 we come to them.

18 But there are a number of, you know, geographic and  
19 factual issues which are common to all five, so it really I  
20 wouldn't think would be appropriate to go over that again  
21 and again with respect to each part.

22 For example, and this will come as no surprise, the  
23 new circuit that Hydro One is proposing to build down Rymal  
24 Road is one that is an issue and a concern that arises in  
25 respect of all five parts.

26 So we thought that we would raise that evidence  
27 initially, and then we wouldn't repeat it, other than of  
28 course in argument.

1 MS. CONBOY: Thank you. Mr. Engelberg?

2 MR. ENGELBERG: That's acceptable, Madam Chair, and  
3 then Hydro One will do the same thing.

4 MS. CONBOY: Great. Thank you.

5 I know that there was a map that was circulated or at  
6 least spoken to today. Do you want to get to those now or  
7 should we hold off?

8 MS. HELT: No. I think we could address the issue of  
9 the one map that Board Staff has provided to all parties  
10 this morning, and there is a copy on the dais for each of  
11 the Panel members.

12 It is a map that was originally filed by Horizon, and  
13 it is labelled - bear with me for a moment - lot 1, 2, 3, 4  
14 and V, block 4, concession 1, Township of Binbrook, City of  
15 Hamilton.

16 It is a map that Board Staff has colour-coded to  
17 reflect each of the five separate parts of this  
18 application.

19 Mr. Lanni this morning has reviewed with counsel the  
20 acceptability and accuracy of the map as presented, and I  
21 do not believe there are any objections from any of the  
22 other parties in the room.

23 So I think, Madam Chair, it would be useful to mark  
24 this as Exhibit K1.1.

25 MS. CONBOY: Thank you.

26 **EXHIBIT NO. K1.1: MAP LABELLED LOT 1, 2, 3, 4 AND 5,**  
27 **BLOCK 4, CONCESSION 1, TOWNSHIP OF BINBROOK, CITY OF**  
28 **HAMILTON.**

1 MS. CONBOY: We just found that when we were going  
2 through this map, it was a great place to start in terms of  
3 everybody having an understanding that we were talking  
4 about the same properties and we were talking about certain  
5 parts of the application.

6 MR. O'LEARY: If I might add, I believe it was marked  
7 at the motion in October as Exhibit KM4, so what it is is a  
8 version of that document. You have simply highlighted the  
9 different parts that are the subject of this application.

10 MS. HELT: That's correct. However, for ease of  
11 reference for the purpose of the hearing, I think if we  
12 mark it as a new, Exhibit K1.1, that would be helpful.

13 MR. O'LEARY: No problem. I did have one procedural  
14 question, and that relates to Mr. Engelberg and myself,  
15 because I understand we would be the only ones that are  
16 calling witnesses. And while I appreciate your desire to  
17 separate the panels into different parts, when a panel is  
18 under cross, we are under a duty not to discuss their  
19 evidence with them, and that is a duty that is imposed on  
20 all counsel that has their panel, their witnesses, under  
21 cross-examination.

22 It does create some difficulty if we take them down,  
23 and then I am not able and Michael would not be able to  
24 speak to their panel, as well, and I am just wondering if,  
25 Mr. Lanni, you had any thoughts on whether that rule should  
26 be continued, or would it mean that, in effect, the panel  
27 and Mr. Engelberg's panel would not be able to communicate  
28 with either of us, even during the cross-examination of the

1 other parties, which relate to their evidence?

2 MS. CONBOY: Thank you. Perhaps I could hear from Mr.  
3 Engelberg first, and then, Mr. Lanni, you could give us  
4 your opinion.

5 MR. ENGELBERG: I share Mr. O'Leary's concern. And  
6 because it is so unusual to have panels go up and down and  
7 between cross and direct evidence, it would be helpful if  
8 that rule were not required in this particular hearing,  
9 because it makes communication on matters that are normally  
10 permitted not permitted. So I share Mr. O'Leary's concern.

11 MS. CONBOY: Thank you. Mr. Lanni?

12 MR. LANNI: I think I would only consider having that  
13 rule relaxed in a situation where both opposing counsel  
14 were in agreement, as we have here.

15 However, I would point out that it is not unusual for  
16 counsel being required to refrain from speaking with their  
17 witnesses for consecutive days and extended periods of time  
18 during hearings before the Board.

19 I think -- I can confirm that the Panel has the  
20 discretion to relax the rule, and I will leave it at that.

21 MS. CONBOY: Thank you. I guess the issue is, as Mr.  
22 O'Leary pointed out, it is more with respect to the time  
23 when the other panel is being cross-examined and his  
24 ability to speak to his clients.

25 Does anybody else have any comments they would like to  
26 make on this? Mr. Shepherd?

27 MR. SHEPHERD: I just want to clarify that while, for  
28 example, Mr. O'Leary's panel is giving direct, and then

1 being crossed on an issue, I would assume that during that  
2 period the rule would still apply; that is, if we take a  
3 break in the middle of the cross-examination on part I, Mr.  
4 O'Leary couldn't go talk to his witnesses about their  
5 evidence. That wouldn't be appropriate, and I think the  
6 same would be true of Mr. Engelberg.

7 I think that is what they're suggesting, but I just  
8 want to clarify that is what is intended.

9 MS. CONBOY: I see -- just for the purposes of the  
10 record, I see nods from the two opposing counsels that if  
11 we were to take a break in the middle of cross-examination,  
12 that the rule would hold at that point. What we're talking  
13 about is in between the two parts when we're talking about  
14 in between two parts of the application.

15 Are there any other comments from other parties? If  
16 you will bear with me for a minute, please?

17 [Board Panel confer]

18 MS. CONBOY: I think that, given the unique  
19 circumstances of this case, that we are going to be asking  
20 the witnesses to get on the stand and off the stand and on  
21 the stand again for the separate parts, it does make sense  
22 that during cross-examination of the other panel, Mr.  
23 O'Leary, you will be permitted to speak with your clients,  
24 and similarly Mr. Engelberg, but as Mr. Shepherd points  
25 out, and agreed by the both of you, that if we happen to  
26 take a break in the middle of cross-examination, then that  
27 rule -- that rule does apply.

28 Are there any other -- or are there any preliminary

1 matters? No, that was a procedural matter, but have you  
2 got any other preliminary matters?

3 MR. O'LEARY: I do, Madam Chair. We have circulated a  
4 document entitled "Hearing Document Brief", which I would  
5 ask to be marked as an exhibit. And I think I should point  
6 out several of the documents that have been included in  
7 there for the record.

8 The first is, based upon the most recent information  
9 that we received --

10 MS. CONBOY: Can you give us just two seconds? It  
11 might be a little easier if we've got it in front of us.

12 MR. O'LEARY: Oh, sorry about that.

13 MS. CONBOY: Okay. The Panel has a copy. Go ahead.

14 MR. O'LEARY: Yes, and our intent is, we may take this  
15 panel to portions of it and Hydro One's panel to it and use  
16 some of it in argument, so it is really just for  
17 convenience, and some of the documentation attached is  
18 either already on the record, so it is somewhat -- and  
19 that's why I thought I would speak to a couple of things.

20 The first is, at tab 1 there is a table which is a  
21 comparison table dealing with part I, which is the  
22 subdivision lands, and that includes revisions that are  
23 based upon the answers received from Hydro One. So it is  
24 an update based upon the evidence, and we will take this  
25 panel to that.

26 Under tab 2, these are a series of e-mails that have  
27 been exchanged between the parties. It actually has been  
28 filed on the Board's website. They were filed in response

1 to a request by Hydro One for us to respond to some further  
2 interrogatories -- actually, supplementary questions on  
3 questions asked by Board Staff. And just for ease of  
4 reference we're including these.

5 There are the series of service-area amendment  
6 application decisions which are in here, which would, I'm  
7 sure, surprise no one that we may reference them.

8 And at tab 13 we have included a letter dated November  
9 23rd, 2012, and this is the covering letter which was sent  
10 to all of the homeowners and landowners in respect to parts  
11 II, III, IV, and V back in November in compliance with the  
12 procedural order.

13 We did file an affidavit of service. This letter did  
14 go out, but for some reason we omitted to include it in our  
15 evidence earlier, so we thought we'd do it here just to  
16 show you what we said, lest there be any suggestion that we  
17 have been anything but fair, in terms of explaining what is  
18 going on to the various homeowners.

19 And at tab 14 is a map which was not included in our  
20 evidence, but it relates to the Red Hill Business Park, but  
21 I see that my friend has another map that may already have  
22 that included in it as well, so I may not even need to  
23 reference it.

24 And finally, the last tab is tab 15, and this relates  
25 to part IV, which is the school, the high school. And  
26 there was a request made by my friend to the school board  
27 about what is the correct load that should be used for the  
28 purposes of your economic evaluation.

1           Horizon Utilities did prepare an economic evaluation  
2 before, but it was based upon a different load figure. We  
3 were advised through Mr. Shepherd that the right load was  
4 the number given to Hydro One, and so we've redone the  
5 economic evaluation and the discounted cash flow.

6           It doesn't change the results at all, but at least now  
7 we've got an apples-to-apples comparison. We would have an  
8 apples-to-apples comparison if they did an economic  
9 evaluation, but that is Horizon's.

10          MS. CONBOY: Thank you.

11          MR. O'LEARY: So if we could mark that as an exhibit,  
12 Madam Chair.

13          MS. HELT: Before marking it as an exhibit, Mr.  
14 Engelberg, do you have any objections with any of the  
15 documents that Mr. O'Leary just referenced that are new to  
16 this proceeding today?

17          MR. ENGELBERG: I certainly don't have any problem  
18 with marking the document as an exhibit. There are two  
19 documents in there, the one at tab 1 and the one at tab 15  
20 that Mr. O'Leary just referred to that Hydro One did not  
21 see until being served with them, until about seven o'clock  
22 last night.

23          So it may be at some point Hydro One may need a few  
24 minutes to, on its own, to go over the documents at tab 1  
25 and at tab 15 to put together its thoughts on those  
26 documents.

27          MS. CONBOY: Thank you. I think that is fair, and  
28 perhaps at a break, Mr. O'Leary, if you can assist Mr.



1 Engelberg in looking -- in helping him, in terms of where  
2 some of these actually came from the evidence so we can see  
3 the degree to which these are new calculations and that  
4 Hydro One has to -- has to make those references.

5 MR. O'LEARY: I was going to leave the part IV 'til  
6 part IV, but part I we will deal with initially with this  
7 panel.

8 MS. CONBOY: Absolutely, thank you.

9 MS. HELT: All right then. With the Panel's approval,  
10 then, this can be marked as Exhibit K1.2, Horizon Utilities  
11 Corporation hearing document brief, with the note that tabs  
12 1 and tab 15 need to be confirmed or verified by the  
13 counsel for Hydro One.

14 MS. CONBOY: Thank you, Ms. Helt.

15 **EXHIBIT NO. K1.2: HORIZON UTILITIES CORPORATION**  
16 **HEARING DOCUMENT BRIEF**

17 MR. O'LEARY: We do have a couple other matters. This  
18 map -- we've got an abundance of maps here, but we brought  
19 along another one which actually was filed in response to  
20 one of the interrogatories. We've blown it up and put it  
21 on a core back, but I believe it is Interrogatory 12.

22 But it's the -- it was so big that we had to break it  
23 down into two parts, and it shows the actual in-the-ground  
24 and above-ground distribution system that Horizon Utilities  
25 has in place around the Summit Park development.

26 MS. CONBOY: Thank you.

27 MR. O'LEARY: And so we thought if we could mark this  
28 as an exhibit or only refer to it as an interrogatory

1 response.

2 MS. CONBOY: And have other parties had a chance to  
3 review that map? There's no...

4 MR. O'LEARY: It was filed with our interrogatory  
5 responses --

6 MS. CONBOY: It was filed with the interrog -- okay.

7 MR. O'LEARY: Yes.

8 MS. HELT: But I am not sure, Panel, if you would like  
9 to mark it as an exhibit for the sake of ease of reference  
10 for the hearing, as it has been already marked as an  
11 interrogatory response.

12 MR. O'LEARY: It is an interrogatory to Hydro One 12,  
13 attachment 3.

14 MS. CONBOY: I think our preference for today, Ms.  
15 Helt, will be to mark them as exhibits. I think that will  
16 be an easier way to reference back to them when we  
17 conclude, as opposed to going through the interrogatory  
18 responses.

19 I think knowing that they're an interrogatory response  
20 certainly helps us, in terms of the fact that everybody has  
21 seen them and had a chance to review them. That's very  
22 helpful. But let's mark them again today, please.

23 MS. HELT: Certainly. Then Exhibit K1.3 will be a map  
24 that was part of an interrogatory response to IR No. 12 of  
25 Horizon, attachment 3.

26 **EXHIBIT NO. K1.3: MAP WHICH WAS PART OF AN**  
27 **INTERROGATORY RESPONSE TO IR NO. 12 OF HORIZON,**  
28 **ATTACHMENT 3.**

1 MS. CONBOY: Sorry, and that was in response -- the IR  
2 No. 12 was Horizon response to interrogatory from whom?

3 MS. HELT: From Hydro One.

4 MS. CONBOY: Thank you.

5 MR. O'LEARY: And we do have, Madam Chair, one more  
6 map, and I have left five copies on -- yes. I think that  
7 is it. It may or may not be. No. It is the -- I think I  
8 left it on Mr. Lanni's chair. It's the...

9 We have made it in a size which we hope that will be  
10 convenient for you to use up on the dais, but what it is,  
11 it is an extension of one of the earlier maps where, based  
12 upon -- and this panel will speak to it -- based upon our  
13 understanding of Hydro One's evidence, this appears to be  
14 the proposed route, at least as we understand it, to now.  
15 It is a bit of a moving target.

16 But as of today, our panel would be prepared to speak  
17 to this. And it's done to scale to give you an indication  
18 of the extent of the route and the direction of the route  
19 that is proposed.

20 MS. SPOEL: Sorry, Mr. O'Leary, where on this map are  
21 parts I to V? I am trying to orient myself.

22 MR. O'LEARY: They would be, Ms. Spoel --

23 MS. SPOEL: This bit in the middle here?

24 MR. O'LEARY: The far top right-hand corner is Highway  
25 56. So if you see, the gray-shaded area is actually  
26 Horizon's service territory. Immediately below that, you  
27 see there is a little jog in the line on the top right just  
28 below the shaded area?

1 MS. SPOEL: Yes.

2 MR. O'LEARY: All right. That is Rymal Road. You  
3 will see the red.

4 MS. SPOEL: Oh, right. Thank you. I am oriented now.

5 MR. O'LEARY: So the area we're talking about is the  
6 white area, and the area below the -- and also the grey  
7 area at the western edge of that.

8 MS. SPOEL: Right. It is hard to read the names of  
9 the streets on here, but now I see where it says Rymal  
10 Road. Thank you.

11 MR. SHEPHERD: Excuse me, Madam Chair. I don't  
12 believe we have copies of this. Are there copies  
13 available?

14 MR. O'LEARY: Yes.

15 [Mr. O'Leary passes copies to Mr. Stephenson  
16 and Mr. Shepherd]

17 MR. ENGELBERG: Madam Chair, may I say something about  
18 that map?

19 MS. CONBOY: Absolutely.

20 MR. ENGELBERG: Hydro One didn't see it until a few  
21 minutes ago, and my clients have pointed out to me it  
22 contains inaccuracies, a number of inaccuracies.

23 Hydro One has a map that it believes is a much better  
24 map that is accurate, that I was intending to put to one of  
25 my witnesses in direct evidence, that has the information  
26 covering this particular area without the inaccuracies.

27 So I wanted to point that out now before it is made an  
28 exhibit, if it is going to be made an exhibit. I didn't

1 want to jump up later and say that there are some things  
2 that are wrong with it.

3 MS. CONBOY: No. Thank you. That is helpful. And I  
4 am assuming, then, if you have just seen this one, that Mr.  
5 O'Leary has not seen your map; is that correct? Was it  
6 filed in evidence?

7 MR. ENGELBERG: It has not been filed in evidence, but  
8 I am not sure whether Mr. O'Leary has seen it.

9 MR. O'LEARY: Well, I saw it when I walked into the  
10 hearing room this morning.

11 MS. CONBOY: Okay. So we have two -- Mr. Shepherd,  
12 are you pressing your button?

13 Okay. We have two maps of the same area with  
14 different schematics on them. At what point in your cross-  
15 examination will you be referring to this map? The reason  
16 I am asking is should we step out of the room for ten  
17 minutes and have you look at each other's maps and see if  
18 you can agree on one, or are we going to be not getting to  
19 it until a break and you can use your coffee break to look  
20 at them?

21 MR. O'LEARY: Madam Chair, I am not cognizant of my  
22 friend's concerns with the map. They're not to do with the  
23 labelling of the roads or the location of the subdivisions  
24 or the service areas.

25 My understanding is that the concern is that Hydro  
26 One's current plans to serve Binbrook may not be as -- may  
27 not have been as clearly made in their evidence and, thus,  
28 we may have indicated a slight variation in the route

1 they're proposing. But it's our submission, Madam Chair,  
2 that that is relevant to this proceeding, because it's been  
3 a work in progress from the beginning, and that is going to  
4 be part of our position in this matter.

5 MS. CONBOY: We understand that, because we've been  
6 following the evidence and the updates, as well. So we can  
7 appreciate that.

8 I think without the two of you getting together and  
9 looking at them, whether it's a small jog in the road that  
10 you are differing on or a huge configuration, we don't know  
11 yet.

12 So I would like to suggest we stand up for -- we will  
13 leave for ten minutes, let you have a look at it, and it  
14 may be that at the end of ten minutes we come back and you  
15 say, No, we've got completely different maps in front of  
16 us, and then we can perhaps deal with that in cross-  
17 examination about the difference -- the different  
18 understandings of where we are in time and where the plans  
19 are.

20 It may be that you've just labelled the golf club road  
21 Ring Fence Road, I don't know. And then we can work from  
22 one map.

23 So we will break for ten minutes, and then when we  
24 come back, we either deal with two separate maps that way  
25 or we can go for one.

26 --- Recess taken at 10:05 a.m.

27 --- On resuming at 10:15 a.m.

28 MS. CONBOY: Thank you. Please be seated.

1 So where are we?

2 MR. O'LEARY: Mr. Engelberg and I are in agreement  
3 that both maps should be marked as an exhibit and used for  
4 examination in-chief and cross-examination as each counsel  
5 thinks fit.

6 MS. CONBOY: Thank you. We will do that.

7 MS. HELT: We will mark then as Exhibit K1.4 the map  
8 provided by Horizon showing the Hydro One proposed route.

9 **EXHIBIT NO. K1.4: MAP PROVIDED BY HORIZON SHOWING THE**  
10 **HYDRO ONE PROPOSED ROUTE**

11 MS. HELT: And for Exhibit K1.6, that will be the map  
12 provided by Hydro One --

13 MS. CONBOY: Sorry, 1.5?

14 MS. HELT: 1.5, I'm sorry. I skipped one there. The  
15 map provided by Hydro One. I believe it is a satellite  
16 Google Earth map. I don't know, Mr. Engelberg. Is there a  
17 better way of describing it?

18 MR. ENGELBERG: That's an excellent way, Ms. Helt,  
19 thank you.

20 MS. HELT: Thank you.

21 **EXHIBIT NO. K1.5: SATELLITE GOOGLE EARTH MAP PROVIDED**  
22 **BY HYDRO ONE**

23 MS. CONBOY: Okay. And then when we get to that we  
24 will probably have to bring it around so that -- I am  
25 cognizant that Ms. Spoel will have to look right through  
26 our heads to see it, so we will probably get somebody to  
27 move that easel where we can all see it.

28 MR. O'LEARY: I would be happy to volunteer for that

1 role, and I thought I would just ask for your permission.  
2 I suspect it is going to be necessary to jump up now and  
3 then to move maps around, and you wouldn't...

4 MS. CONBOY: You are welcome to jump, Mr. O'Leary.

5 MR. O'LEARY: Thank you.

6 MS. CONBOY: Have you any more preliminary matters?

7 MR. O'LEARY: That is all the maps that we could  
8 muster.

9 MS. CONBOY: Thank you.

10 [Laughter]

11 MS. CONBOY: Mr. Engelberg, any preliminary matters?  
12 Anybody else?

13 MR. ENGELBERG: No, I do not, Madam Chair.

14 MS. CONBOY: Thank you.

15 Okay. Well, perhaps we could have your witnesses  
16 sworn, Mr. O'Leary.

17 **HORIZON UTILITIES CORPORATION - PANEL 1**

18 **Neil Freeman, Sworn**

19 **Indy Butany-DeSouza, Sworn**

20 **Bart Burman, Sworn**

21 **Kathy Lurette, Sworn**

22 **Daniel Roberge, Sworn**

23 MS. CONBOY: Mr. O'Leary?

24 **EXAMINATION-IN-CHIEF BY MR. O'LEARY:**

25 MR. O'LEARY: Thank you, Madam Chair. I am first  
26 going to introduce our panel. We filed several days ago a  
27 copy of the curriculum vitae of each of the panel members,  
28 and then the curriculum vitae of our expert, Mr. Burman,



1 was filed with the evidence back last year.

2 But starting at your -- my left we have Mr. Neil  
3 Freeman, and Mr. Freeman is currently the vice-president  
4 business development and corporate relations with Horizon  
5 Holdings Inc. His CV indicates that he worked as a  
6 consultant for Hydro One Networks between 1995 and 2002 and  
7 then worked at Hydro One as the manager, strategy and  
8 development, from 2002 to 2005.

9 That was followed by several years at the Ontario  
10 Power Authority, where he was director of planning policy  
11 and approvals, power system planning.

12 Mr. Freeman has a degree from the University of --  
13 Master's degree from the University of Ottawa -- sorry,  
14 Waterloo. My apologies on that -- a Ph.D. from the  
15 University of Toronto, and Queen's School of Business,  
16 finance for non-financial executives.

17 To his left is Ms. Indy Butany-DeSouza, who has an  
18 Honours degree from McMaster and a Bachelor of Science.  
19 She has her M.B.A. also from McMaster, and carbon finance  
20 executive development program at the University of Toronto,  
21 and Butany-DeSouza is currently the vice-president,  
22 regulatory at Horizon Utilities.

23 We will skip Mr. Burman for a minute. No disrespect  
24 intended, obviously. But to his left is Ms. Lerette, who  
25 is currently the vice-president, utility operations at  
26 Horizon. Ms. Lerette obtained electrical engineering  
27 technician degree with Mohawk College, followed by  
28 electrical engineering technologist at Mohawk College, and

1 she has been with Horizon Utilities and its corporate  
2 predecessors going back to the Stoney Creek days for quite  
3 some time.

4 And to her left is Mr. Daniel Roberge, who is  
5 currently the manager, capital projects and utility  
6 operations. Mr. Roberge has his Bachelor of Applied  
7 Science in electrical engineering and is a current  
8 professional engineer and maintains his designation, and  
9 then has a long history of relevant service at other  
10 companies prior to his time, beginning in 2009 with Horizon  
11 Utilities.

12 Turning now to Mr. Burman, Mr. Burman is the author of  
13 the report that was prepared and has been filed dated  
14 November 27th, 2012. Mr. Burman was asked, according to  
15 the report, to undertake a comparison of the two offerings  
16 that each of the utilities bring to the various service  
17 area applications which are the subject of this proceeding.  
18 And Mr. Burman filed a report.

19 If I could just briefly go through his curriculum  
20 vitae, which is appended at the end of that document.

21 MS. CONBOY: Please.

22 MR. O'LEARY: Mr. Burman started at Ontario Hydro in  
23 1981 and remained there for some time. He first of all  
24 obtained a Master's of -- a Bachelor of Applied Science,  
25 electrical engineering, at the University of Toronto in  
26 1981 and a Master's of business administration from the  
27 University of Toronto, 1988. He maintains his professional  
28 engineering credentials to this date.

1           And I was going to ask Mr. Burman a few questions  
2 about his relevant experience for the purposes of  
3 ultimately qualifying him.

4           May I ask you, Mr. Burman, beginning with your start  
5 at Ontario Hydro in 1981, could you tell me, what were your  
6 duties and responsibilities that might be of relevance to  
7 this proceeding?

8           MR. BURMAN: In my first position with Ontario Hydro  
9 in 1981 I was distribution planning engineer. In this  
10 position I modelled and performed several distribution  
11 system and subsystem analysis and compared the results with  
12 defined electrical limits to establish a need for system  
13 improvements and to optimize system performance.

14           I prepared reports and other documents suitable for  
15 approval and release of funds similar in magnitude and  
16 nature to the amounts inherent within the Hydro One area  
17 study. I also prepared comprehensive analysis for area  
18 supply, involving multi-feeder and station configurations  
19 to optimize the distribution network in the Niagara and  
20 northwestern Ontario regions.

21           The level of in-depth analysis and evaluation of  
22 alternatives was commensurate with the requisite dollar  
23 level of investment required, typically. The higher the  
24 project value, the greater the analysis required.

25           Financial and economic considerations of the reports  
26 and released documentation prepared were reinforced through  
27 my academic business principles acquired from the M.B.A.  
28 program.

1           The scope of my project work in this regard spanned  
2 everything from tens of thousands to -- tens of thousands  
3 of dollars to several million dollars.

4           MR. O'LEARY: All right. Thank you, Mr. Burman.

5           Now, I understand you then moved in around 1993 with  
6 Ontario Hydro. Hydro One became the customer supply  
7 planning manager.

8           MR. BURMAN: That's correct.

9           MR. O'LEARY: Can you tell us what experience you had  
10 in that role which would be relevant to this proceeding?

11          MR. BURMAN: Sure. As customer supply planning  
12 manager with Ontario Hydro's decentralized, utility-like  
13 organizational structure, I was responsible for supply  
14 adequacy and performance of the distribution network in the  
15 areas surrounding the GTA.

16          I continued to review and ensure due diligence for the  
17 complete portfolio of planned investments in the  
18 distribution system within that franchise service area.

19          Projects exceeding a million dollars would undergo  
20 additional scrutiny to ensure the need for mitigation  
21 measures, ensuring that the need was warranted and based on  
22 solid engineering criteria.

23          The level of expenditures -- as the level of  
24 expenditures increased, more attention was paid to  
25 fundamental criteria such as current carrying capabilities  
26 of system components and prescribed voltage system  
27 limitations, instead of rules of thumbs and benchmarks and  
28 that type of idea, while I ensured alternatives developed

1 to mitigate system problems were clearly identified,  
2 including a do-nothing alternative - that was our base line  
3 in most cases - and aligning with the scope of the  
4 undertaking pursued.

5 MR. O'LEARY: And in your responsibilities in that  
6 position, did you have any involvement in the consideration  
7 and mitigation of reliability issues?

8 MR. BURMAN: Yes.

9 MR. O'LEARY: All right. And I see in about 1997  
10 through to 1999, according to your CV, you became the  
11 director of investment strategy, director distribution  
12 system engineering, and sustainment, and, indeed I  
13 understand that your position was known colloquially as  
14 being the chief engineer for Ontario Hydro; is that fair?

15 MR. BURMAN: That's correct, yes. My role was to  
16 ensure appropriate levels of due diligence were in place  
17 and commensurate with the investments made.

18 MR. O'LEARY: All right. Any specific duties that you  
19 feel are relevant for the purposes of this proceeding?

20 MR. BURMAN: Basically I was responsible for the  
21 distribution -- the release of funds, basically, to perform  
22 province-wide distribution system improvements, and it was  
23 a broader scope than was originally mentioned in the role  
24 as customer supply planning manager.

25 It was looking at prioritization of the portfolio of  
26 projects and maintenance work proposed against the funding  
27 envelopes that were available and prioritizing that work  
28 accordingly; performing high-level adequacy checks to make

1 sure that, again, the suitable amount of effort and due  
2 diligence was undertaken with those larger projects;  
3 ensuring that the need for funds was always well justified  
4 based on solid engineering principles; and that suitable  
5 alternatives were found and the costs and benefits were  
6 identified within each of those projects, as well.

7 Project values in order of what is proposed in Hydro  
8 One's area of study were not uncommon, nor were the project  
9 dollar values greater or lesser than that amount. They  
10 were certainly not uncommon either, so...

11 MR. O'LEARY: When you say "that amount", you're  
12 referring to the amounts involved in this proceeding?

13 MR. BURMAN: That's correct.

14 MR. O'LEARY: All right. And in 1999 you became the  
15 director, distribution operation management. Is there  
16 anything you would like to tell us about your role there  
17 that would be relevant?

18 MR. BURMAN: In that role, I designed and implemented  
19 Ontario Hydro's first centralized distribution system  
20 outage management system, including the integration of new  
21 organizational structures, central operating facilities,  
22 supporting GIS-based information technology and the  
23 management of changes that were inherent, moving from a  
24 currently, at that time, decentralized operating  
25 environment to a centralized function.

26 I am very familiar with the key statistical measures  
27 of CAIDI, SAIDI, SAIFI and the relationship and performance  
28 -- to performance measurement on the distribution network.

1           As such, I am aware of the impacts of different  
2 outages' causes and the relationship to the time to restore  
3 those outages.

4           MR. O'LEARY: All right. And in 2002 -- sorry. Yes,  
5 in 2002, I understand then you moved on to become the  
6 manager and managing partner of EnerSpectrum Group.

7           What sort of services does that company provide?

8           MR. BURMAN: At that time, we were a brand new  
9 company. I was the managing partner of EnerSpectrum Group  
10 and grew a business from basically start-up to delivering a  
11 variety of multifunctional service offerings to LDCs across  
12 the province.

13           I had concentrated effort at that time on performing  
14 distribution system analysis studies for some clients for  
15 identifying opportunities for system loss mitigation, and  
16 to optimize system performance in that regard.

17           MR. O'LEARY: Thank you. I understand that since  
18 December 2009 you have been the president of Burman Energy  
19 Consultants. Can you give us a brief summary of your  
20 experience with Burman Energy?

21           MR. BURMAN: Yes. It was somewhat similar, but my  
22 company performed customer impact assessments on behalf of  
23 LDCs as an extension to our system analysis work that we  
24 had already begun in the prior partnership, looking at ways  
25 to effectively connect and ensure adequacy of connection  
26 for new FIT or microFIT projects under that program.

27           Again, same type of thing. Fundamental criteria for  
28 distribution system analysis were applied and considered

1 all external influences, such as growth and at which point  
2 the system limits might be exceeded by virtue of adding on  
3 these new generators to the system, connecting them up.

4 MR. O'LEARY: Thank you, Mr. Burman. Madam Chair, we  
5 would ask that Mr. Burman be qualified as an expert witness  
6 and therefore entitled to provide opinion evidence in  
7 respect of electrical engineering issues, including the  
8 planning, analysis, design and approval of electrical  
9 distribution system expansion and enhancement work.

10 MS. CONBOY: Thank you. Do we have -- does anybody  
11 have any issue with Mr. Burman being qualified as an  
12 expert?

13 [Board Panel confer]

14 MS. CONBOY: Thank you, Mr. O'Leary. We will accept  
15 Mr. Burman as an expert witness in the areas that you have  
16 outlined.

17 To the extent that his cross-examination or his  
18 reports go -- potentially go into other areas, we will  
19 determine what weight to put to that evidence and that  
20 testimony in due course.

21 MR. O'LEARY: Thank you.

22 We are now going to move to the map stage, if I may.

23 MS. CONBOY: Wonderful.

24 MR. O'LEARY: Ms. Spoel, is it your preference that we  
25 move --

26 MS. SPOEL: I don't mind where you put it, as long as  
27 I can see it. So if it came out just a little further, I  
28 can see past. It is just where the maps are right now,



1 where that table is right now I can't see at all.

2 MR. O'LEARY: Madam Reporter, if I am up here speaking  
3 or one of the witnesses, can you hear us?

4 MS. CONBOY: Let's try it, and then do you have a way  
5 of...

6 MR. O'LEARY: It is hard to position it the way that  
7 everyone can see, but...

8 MS. SPOEL: Let's just assume it would probably be  
9 good for us to be able to see it.

10 MR. O'LEARY: I think that is the priority.

11 MS. SPOEL: At the moment, it is actually blocked by  
12 the court reporter's computer screen.

13 MS. CONBOY: We can see the back, but unfortunately  
14 Ms. Lerette is out of view.

15 MR. O'LEARY: I have another suggestion. We have in  
16 the evidence the actual copies of these maps, and we could  
17 leave this out there, and then perhaps ask you to follow,  
18 if we could have you pull out the actual map.

19 MS. CONBOY: Why don't we do that?

20 MS. SPOEL: I think that would probably be easier.  
21 Where would we find this?

22 MR. O'LEARY: In this case it would be in the...

23 MS. SPOEL: One of the folded-up maps in a pocket at  
24 the back?

25 MR. O'LEARY: It would be under -- the way that it was  
26 filed as part of Horizon's evidence was under an attachment  
27 marked "Maps".

28 MS. SPOEL: Yes, thank you. We have that.

1 MR. O'LEARY: We are going to start with the Google  
2 satellite map, which is K1, so I think, Neil, you were  
3 going to... It is the one that looks like this. It should  
4 be...

5 MS. CONBOY: That's good, because they don't all look  
6 the same.

7 MR. O'LEARY: Do you have one?

8 MR. ENGELBERG: I don't know which one it is.

9 MS. CONBOY: Was it original evidence or updated  
10 evidence?

11 MR. O'LEARY: It was the one that was marked as an  
12 exhibit at the motion.

13 MS. CONBOY: I see.

14 MR. O'LEARY: Well, you are welcome to use that.

15 MS. CONBOY: Okay.

16 [Mr. O'Leary passes the map]

17 MR. O'LEARY: If I could invite Mr. Freeman to  
18 possibly walk us through what this map depicts?

19 MS. CONBOY: Do other people have a copy of this map,  
20 or are they able to follow it as Mr. Freeman walks through  
21 it on the easel? Thank you.

22 MS. HELT: Madam Chair, if I may just ask, Mr.  
23 O'Leary, can you just confirm this has been filed already  
24 as evidence outside of the motion?

25 MR. O'LEARY: My understanding is it was.

26 MS. HELT: All right.

27 MR. O'LEARY: I would have to check, though.

28 MS. HELT: So that we can make reference to it in the

1 transcript, so that we're not just --

2 MR. O'LEARY: We're going to refer to it is -- it's  
3 marked as Exhibit K1 at the motion, and at that motion you  
4 may recall we also brought some additional maps that we  
5 filed that day.

6 MS. CONBOY: Will you be referring to those today as  
7 well?

8 MR. O'LEARY: Some of them. I believe you should have  
9 all of them. I am a little surprised this one wasn't  
10 there, because -- but the balance, I believe, you do have.  
11 In fact, you have used it to create the part-map that you  
12 marked this morning.

13 MS. CONBOY: I understand. Why don't we, if you don't  
14 have any objections -- let's mark them for the purposes of  
15 today, along the same lines as what we did earlier this  
16 morning, please.

17 MS. HELT: Certainly, Madam Chair.

18 Then we will mark as Exhibit K1.6 a map filed by  
19 Horizon as Exhibit K1 at the motion.

20 **EXHIBIT NO. K1.6: GOOGLE EARTH SATELLITE MAP FILED BY**  
21 **HORIZON AS EXHIBIT K1 AT THE MOTION**

22 MS. HELT: Mr. O'Leary, can you provide an accurate  
23 description of the map that we are looking at?

24 MR. O'LEARY: Certainly. It is a Google Earth  
25 satellite map with several lines that have been added and  
26 several notations that have been added by Horizon  
27 Utilities, and I believe it is a Google map that was --  
28 indicates that it was done around 2010.

1 MS. HELT: Thank you, Mr. O'Leary. So that will be  
2 Exhibit K1.6. We have some additional copies here if  
3 counsel or the Panel members require a copy.

4 MS. CONBOY: No.

5 MS. HELT: No? All right.

6 MS. CONBOY: We're fine, thank you.

7 MR. O'LEARY: I guess they did make it.

8 MS. CONBOY: There is limited space up here too, so  
9 that is part of it.

10 Please go ahead.

11 MR. O'LEARY: Mr. Freeman, could you first of all  
12 assist the Panel by advising what the various lines are,  
13 beginning with the red ones on the left side of the map,  
14 and the green ones in the middle, and then the red on the  
15 right?

16 MR. FREEMAN: So the red line is the boundary,  
17 roughly, of Horizon Utilities on the north side and Hydro  
18 One Networks on the south side. And the green area is the  
19 geographic outline, approximate, of the Summit Park  
20 development in its total land area.

21 And again, as the map -- as Mr. O'Leary has pointed  
22 out, the Google image is a couple of years old, and so the  
23 Google image doesn't show the current state of the  
24 subdivision development, which is -- was actually presented  
25 in the Board's map, presented today.

26 To the east of the green outline, the red line is the  
27 separation of, on the north, Horizon Utilities and, on the  
28 south, Hydro One Networks. What is notable about the

1 difference in the two lines is that the Horizon Utilities  
2 service territory in the City of Hamilton is a combination  
3 through a municipal amalgamation that subsequently resulted  
4 in a utility amalgamation, and so the red line here is  
5 actually following the 230,000-volt high-voltage line, and  
6 this was the south boundary of the former City of Hamilton.

7 What happened east of the end of this red line here  
8 was the -- to the south of this was the Township of  
9 Glanbrook on both sides of the end of this red line.

10 What happened here was, north of the green and north  
11 of the red to the east of the green was the City Of Stoney  
12 Creek, and that was the south boundary of Stoney Creek and  
13 the division historically between Ontario Hydro -- sorry,  
14 Stoney Creek Hydro on the north and Ontario Hydro on the  
15 south.

16 After the amalgamation of the City of Hamilton that  
17 occurred by legislation effective January 1st, 2001, the  
18 Horizon Utilities became the single utility, and the  
19 Township of Glanbrook, the former City of Hamilton, the  
20 former City of Stoney Creek became one city.

21 The official plan of the new City of Hamilton that was  
22 brought together following the amalgamation of the City of  
23 Hamilton looked at the development on the south edge of the  
24 city, and in the old part of Hamilton or the original City  
25 of Hamilton it came down to the high-voltage right-of-way.

26 As the City of Hamilton developed its official plan --  
27 and indeed, there are two parts to that official plan, an  
28 urban official plan and a rural official plan -- the City

1 of Hamilton, through permission of the provincial  
2 government, added this strip of land between Trinity Church  
3 Road and Swayze Road to the east, into the urban official  
4 plan allowing it for development.

5 So the key difference here is, everything above the  
6 red line and the green box and the red line to the east is  
7 part of the -- sorry, not the red line to the east -- is  
8 part of the urban area of Hamilton, and every part south is  
9 the part of the rural official plan.

10 And the distinction is that the City of Hamilton can  
11 only develop land in the urban area. This is actually part  
12 of the green belt legislation lands in Ontario to the south  
13 of the red line and to the south of Summit Park, and is not  
14 currently permitted for development, and it is, frankly,  
15 very difficult to pull land out of the green belt lands for  
16 subsequent subdivision development.

17 Notably, in this exercise of this hearing, the lands to  
18 the east of the green have been noted as Hydro One -- by  
19 Hydro One as an Alfreda Industrial Park. And indeed, if  
20 you look at the business parks of the City of Hamilton,  
21 there is not an Alfreda business park. There is a small,  
22 little urban note here that is defined as "urban  
23 settlement", but everything to the east of the green except  
24 for that little settlement is part of the rural official  
25 plan, is part of the green belt lands, and is not subject  
26 to development.

27 And while developers might hope to develop land, it is  
28 all completely speculative. This is part of the green belt

1 lands in Ontario, and there is a very established process  
2 for adjusting the boundaries of the green belt.

3 MR. O'LEARY: Mr. Freeman, can I just stop you for a  
4 second? I noticed that there is an A that is identified on  
5 the map. Is that what you are referring to?

6 MR. FREEMAN: The A is the Alfreda hamlet or  
7 crossroads of Rymal Road, and to the north it is Centennial  
8 Parkway and to the south it's Highway 56.

9 MR. O'LEARY: All right. And could you point out  
10 where Swayze Road is?

11 MR. FREEMAN: Swayze Road is a short road that runs  
12 south from Rymal Road on the eastern perimeter of the  
13 Summit Park lands and is essentially the access road to the  
14 Alfreda settlement area.

15 MR. O'LEARY: All right. And immediately to the east  
16 of that, the Google map seems to indicate some sort of  
17 development that has occurred there. Has that actually  
18 been developed?

19 MR. FREEMAN: There is no development to the east of -

20 MR. O'LEARY: Sorry, east of Swayze Road.

21 MR. FREEMAN: Yes. East of Swayze Road is the Alfreda  
22 settlement area. It is largely light industrial. There is  
23 a bus -- you know, a school bus, you know, parking area, a  
24 car dealership. It is essentially fully built out at the  
25 current point.

26 MR. O'LEARY: And just so I can describe it for the  
27 record, that is the area between Swayze Road and the little  
28 jog to the east of Highway 56?

1 MR. FREEMAN: That is correct.

2 MR. O'LEARY: And again, everything to the east of  
3 Highway 56 is owned, what?

4 MR. FREEMAN: It is part of the rural official plan of  
5 the City of Hamilton. It is in the provincially designated  
6 lands that are green belt lands. And again, it is not --  
7 it's not to be developed.

8 The whole purpose of the -- having official plans and  
9 the green belt legislation is to push development inward  
10 into the urban areas and not allow rural sprawl, so to  
11 speak.

12 MR. O'LEARY: All right. Thank you.

13 You mentioned that there was a Hydro One transmission  
14 corridor that runs along south of the red and the green  
15 lines. Can you advise us of the size of that and how many  
16 transmission lines are there, in terms of the towers?

17 MR. FREEMAN: That's a 230,000-volt high-voltage line.  
18 I believe from memory it is two towers and four circuits,  
19 but I am doing that only from memory.

20 MR. O'LEARY: Okay. Now, you have identified also the  
21 -- I can barely read it even with my glasses on -- Horizon  
22 Nebo Service Centre. Could you tell us what that is?

23 MR. FREEMAN: Yes. This is Nebo Road in the City of  
24 Hamilton running southward, you know, through Horizon  
25 service territory. Horizon's operations centre, where it  
26 has its tradespeople, its service vehicles, its heavy  
27 equipment, trucks, its storage yard, is right here. And  
28 the notable -- notably, there is, with the name of Nebo,



1 the Hydro One high-voltage station for this area of Ontario  
2 that's serving both Horizon Utilities -- I should say Hydro  
3 One transmission high voltage station, a 230,000-volt  
4 station, is adjacent to the 230,000-volt line and is  
5 actually next door to the Horizon operation centre on Nebo  
6 Road.

7 So the high voltage station is right adjacent to the  
8 230,000-volt line, and Horizon's large operations centre  
9 for all of the City of Hamilton is adjacent to that.

10 MR. O'LEARY: All right. And if any of the customers  
11 that currently have service from Horizon in the Summit  
12 Park, earlier phases that were developed, had any sort of  
13 issue with service, where would Horizon's staff be coming  
14 from to assist them?

15 MR. FREEMAN: The staff would be coming from our  
16 operations centre at Nebo Road, which is essentially a  
17 kilometre-and-a-bit away from -- here is Summit Park and  
18 here is the Horizon's operations centre right here at Nebo  
19 Road.

20 MR. O'LEARY: By comparison, do you know where the  
21 Hydro One service centre is that would service the lands in  
22 question?

23 MR. FREEMAN: The Hydro One service centre, as was  
24 mentioned in their evidence, is in Dundas, Ontario, which  
25 is, you know, sort of way out here, but it is approximately  
26 20 kilometres' distance, I believe was the number mentioned  
27 in Hydro One's evidence.

28 MR. O'LEARY: All right. And I see that there is also

1 an area marked M3/M4 connection point. Can you tell us  
2 what you were intending to show with that indication?

3 MR. FREEMAN: So the former City of Stoney Creek  
4 Hydro-Electric Commission would pick up power from the  
5 former Ontario Hydro at the boundary of the municipal  
6 utility. It is common practice in Ontario a municipal  
7 electric utility could not own assets outside its service  
8 territory, and Hydro One Distribution had a sub-  
9 transmission role to provide supply to municipal utilities.

10 And so what would happen is that the Nebo transformer  
11 station was here. This was the former territory of  
12 Hamilton Hydro-Electric Commission, and so the feeder  
13 lengths running the distribution sub-transmission feeders  
14 would run from the Hydro One transmission high voltage  
15 station to the connection point, which was the former --  
16 beginning of Stoney Creek Hydro, now part of Horizon.

17 And so these legacy arrangements have continued today  
18 such that Hydro One owns distribution assets geographically  
19 inside the City of Hamilton inside the service territory of  
20 Horizon that was formerly Hamilton Hydro that are used  
21 exclusively to serve as a point of supply for Horizon at  
22 the former boundary of Stoney Creek and the City of  
23 Hamilton.

24 MR. O'LEARY: All right. And the M3/M4 connection  
25 point that is circled on the map, is that the connection  
26 point between Horizon Utilities and Hydro One, or was that  
27 intended to show some other sort of connection?

28 MR. FREEMAN: That is the two -- there's two meter

1 points, one each for each of the two feeders.

2 MR. O'LEARY: All right. But what is --

3 MR. FREEMAN: So Hydro One provides a point of supply  
4 to Horizon at this point.

5 MR. O'LEARY: All right. Was there -- did Horizon  
6 initially have a belief in respect of the connection point  
7 of the new 27.6 circuit, and where was that?

8 MR. FREEMAN: As we understood, the initial  
9 proposition from Hydro One was that they would be making a  
10 connection point where Rymal Road met the two feeders on  
11 their way to the M3/M4 connection point.

12 MR. O'LEARY: Where the circle is?

13 MR. FREEMAN: Yes, yes.

14 MR. O'LEARY: All right.

15 MR. FREEMAN: Sorry, I misspoke just a bit. The  
16 connection point with Horizon is at -- this is where the  
17 M3/M4 point of supply to Horizon is, just a little to the  
18 east.

19 This is the point where we initially understood  
20 Horizon -- sorry, Hydro One would connect to the M3/M4.

21 MR. O'LEARY: All right, thank you. And has the M3/M4  
22 ever served any other utility, other than Horizon and its  
23 corporate predecessors, in Stoney Creek, for example?

24 MR. FREEMAN: To my knowledge, no. And the reason is  
25 that the full length of that feeder was inside the service  
26 territory of Hamilton Hydro and subsequently Horizon  
27 Utilities.

28 And so there is no other utility than Hydro One,

1 formerly Ontario Hydro, that would have a reason to connect  
2 to that service. That facility was created for Stoney  
3 Creek Hydro, which is now part of Horizon Utilities.

4 MR. O'LEARY: Just a couple of further little  
5 questions, and it may be somewhat self-evident from the  
6 satellite map itself.

7 But could you describe the nature of the development  
8 to the north of the service area amendment lands in  
9 question.

10 MR. FREEMAN: All right. So as you can -- as may be  
11 visible to the Panel, this area here is called the Red Hill  
12 Creek, which is a major natural land form of somewhat  
13 protected green space. It does include, now, a major  
14 highway.

15 But these are wetlands, in fact, for the Red Hill  
16 Creek, and so this land is actually a conservation area and  
17 has nature trails, and that type of thing, and that's why  
18 this particular area of land is not currently developed  
19 and, frankly, will never be developed, because it is part  
20 of the broader lands of the Hamilton Conservation  
21 Authority.

22 MR. O'LEARY: But at the east end of the Summit Park  
23 lands immediately to the north, what do we see there? What  
24 exists?

25 MR. FREEMAN: This is -- to the east and north of  
26 Rymal Road, it is urban -- a suburban residential  
27 development serviced by Horizon Utilities.

28 MR. O'LEARY: All right. We have talked about the age

1 of this Google satellite map. Is all of the current, as-  
2 developed, currently developed subdivisions of Summit Park  
3 evidenced by this Google map?

4 MR. FREEMAN: As has been filed in other evidence, the  
5 -- this part here has completely been filled in.

6 MR. O'LEARY: And where you are pointing is --

7 MR. FREEMAN: Where I am pointing is, sorry, to the  
8 east of -- the east site of Trinity Church, Trinity Church  
9 Road on the northern part of high voltage line which forms  
10 the south boundary of Summit Park development.

11 MR. O'LEARY: And at the east end, if you go a little  
12 further to your right, there is a white area that does not  
13 appear to be -- can you tell us what -- no, back -- right  
14 there, yes. Is that an earlier phase of Summit Park?

15 MR. FREEMAN: That phase there is Horizon Utilities  
16 and was one of the earlier phase consented developments in  
17 the Summit Park. That was consented from Hydro One to  
18 Horizon Utilities.

19 MR. O'LEARY: Where does that subdivision exist  
20 relative to part I or phase 7 of Summit Park?

21 MR. FREEMAN: Summit Park phase 7 is generally this  
22 area right here to the north of the existing subdivision  
23 serviced by -- subdivision phase serviced by Horizon  
24 Utilities.

25 MR. O'LEARY: All right. Anything else?

26 MR. FREEMAN: That would be it, I think.

27 MR. O'LEARY: Thanks, Mr. Freeman.

28 The next map we are proposing to briefly take you to,

1 Madam Chair, was marked as Exhibit KM2, and I think I saw  
2 it in your packages up there. It's the...

3 [Mr. O'Leary holds up map]

4 MS. CONBOY: No. It is obviously the same area,  
5 but...

6 MR. O'LEARY: It is. It's this.

7 [Passes map to Board Panel]

8 MR. O'LEARY: Ms. Butany-DeSouza I would ask to come  
9 forward so I can ask a couple of questions.

10 MS. CONBOY: We are going to mark this one again,  
11 sorry, for the purposes of today, please, Mr. O'Leary.

12 MS. HELT: Yes, Madam Chair. This will be K1.7. It  
13 is a Horizon map of Summit phases 1 through 7 marked as  
14 Exhibit K M2 at the Horizon motion.

15 **EXHIBIT NO. K1.7: HORIZON MAP OF SUMMIT PHASES 1**  
16 **THROUGH 7, MARKED AS EXHIBIT KM2 AT THE HORIZON**  
17 **MOTION.**

18 MS. CONBOY: Thank you.

19 MR. O'LEARY: Thank you. Ms. Butany-DeSouza, can you  
20 please just briefly describe what this map is intending to  
21 depict?

22 MS. BUTANY-DeSOUZA: Sure. For the area that Mr.  
23 Freeman just walked through that was encircled in green,  
24 this is that same green area or green outlined area, but  
25 with the various service area amendments and phases of the  
26 Summit Park development laid out before you.

27 So it starts at Trinity Church Road and extends to  
28 Swayze Road at the very far eastern side of the map,

1 extreme left of my -- extreme left of me. And it starts  
2 with Summit Park, Phase 7, which is now Horizon Utilities  
3 service territory that was the subject of a consent  
4 application.

5 I keep going?

6 MR. O'LEARY: Yes, please.

7 MS. BUTANY-DeSOUZA: To the north of Summit Park,  
8 Phase 5, which is Horizon Utilities service territory, is  
9 an area marked "Hydro One service area". That is part IV  
10 of this application, of this service-area amendment  
11 application. And it's entirely geographically embedded in  
12 Horizon Utilities' service territory.

13 Continuing eastward is Summit Park, the gardens. That  
14 was the subject of a consent service-area amendment  
15 application and is the extension of Horizon Utilities'  
16 existing distribution assets into a contiguous area that is  
17 now Horizon Utilities' service area.

18 The next big block, marked "Summit Park, Phases 1  
19 through 4", so Summit Park, Phase 1, Phase 2, Phase 3,  
20 Phase 4, were also the subject of consent applications, and  
21 continues the leveraging of Horizon Utilities' distribution  
22 assets into a geographically contiguous area, and then  
23 continues and extends to the middle of this map, which is  
24 Summit Park, Phase 6, which is to the south of part I of  
25 this application. Summit Park, Phase 6 also represents the  
26 consent application by Hydro One to Horizon Utilities for  
27 service-area amendment.

28 And then immediately north of that is part I of this

1 service-area amendment application, known as Summit Park,  
2 Phase 7, and it's notable that Horizon Utilities' service  
3 territory is immediately to the west of that. And also  
4 notable are part II of the application that is currently  
5 before this Board, which represents the three residential  
6 customers that are outposts, but that are surrounded by  
7 Horizon Utilities.

8 And then if we continue -- and I'm sorry, I am  
9 blocking the map for some, but if we continue westward, you  
10 can see that there are two commercial developments, marked  
11 "smart centres" and "The Brooks at Rymal 20". These were  
12 also the subject of consent applications with Hydro One.  
13 They represent Horizon Utilities' service territory.

14 Interspersed along Rymal Road, perhaps a little bit  
15 more difficult to see, are parts III of this application  
16 that have a mix of vacant land, residential, and commercial  
17 customers. And then to the south, the area that is  
18 currently marked "Hydro One service area" is part V of this  
19 application, which represents the next phases, I would  
20 imagine, of Multi-Areas' development for Summit Park.

21 And then to the south is the high-voltage transmission  
22 corridor that Mr. Freeman referenced, that is the boundary  
23 -- provides a natural boundary, and then beneath that are  
24 the green belt lands that Mr. Freeman had referenced.

25 MR. O'LEARY: Thank you. And in terms of the smart  
26 centre and The Brooks at Rymal commercial developments,  
27 have they been constructed?

28 MS. BUTANY-DeSOUZA: They are fully constructed, yes.



1 MR. O'LEARY: And briefly, what do they consist of?

2 MS. BUTANY-DeSOUZA: Commercial developments, shops,  
3 big-box stores that are being serviced currently by Horizon  
4 Utilities. That's Horizon Utilities' service territory.

5 MR. O'LEARY: All right. And I see that this Exhibit  
6 K1.7 -- and indeed, on the Hydro One map that was marked  
7 earlier -- it shows that the subdivision -- at least has --  
8 in a graphic way has been set out from end to end,  
9 depicting a potential residential layout for the  
10 subdivision over time?

11 MS. BUTANY-DeSOUZA: Right. So it started at Trinity  
12 Church, and through nine service-area amendment  
13 applications that have either been uncontested or on  
14 consent from Hydro One has continued to sprawl eastward,  
15 and Horizon Utilities has continued to leverage its  
16 existing distribution assets into the contiguous areas.

17 MR. O'LEARY: And do you have a rough estimate of the  
18 number of residential residences that would be included in  
19 the entire Summit Park development when completed?

20 MS. BUTANY-DeSOUZA: I believe it was less than 3,000.  
21 1,200.

22 MR. O'LEARY: We will come back to that one.

23 MS. BUTANY-DeSOUZA: Okay.

24 MR. O'LEARY: But is there any question, in terms of  
25 when you put in the first application, the extent of the  
26 development that would take place on this property?

27 MS. BUTANY-DeSOUZA: Well, in fact, the very first  
28 application that Horizon Utilities filed was for the entire

1   expanse of land, starting at Trinity Church and extending  
2   all the way to Swayze Road, given Horizon Utilities'  
3   understanding at that time or its predecessor company  
4   Hamilton Hydro's understanding at that time that this area  
5   was going to be developed, in fact, in the fashion that it  
6   has been to date and continues to be with the current  
7   proposed Summit Park, Phase 7.

8           MR. O'LEARY:   And to what extent was Hydro One aware  
9   of the potential development of the complete Summit Park  
10  development at the earlier stages when it consented to this  
11  application?

12          MS. BUTANY-DeSOUZA:   Sorry, can you repeat that?

13          MR. O'LEARY:   Can you tell us the extent of Hydro  
14  One's knowledge as to what they were -- what information  
15  they were provided with, to your knowledge, in respect of  
16  the ultimate complete development of the Summit Park  
17  development?

18          In other words, when the first consent application was  
19  completed, do you know whether or not Hydro One had an idea  
20  or was provided information in respect of the development  
21  of the entire property?

22          MS. BUTANY-DeSOUZA:   Well, Horizon Utilities, through  
23  Hamilton Hydro, had previously filed for the entire area,  
24  given that it understood that this was going to be for  
25  exactly this kind of residential and commercial  
26  development.   Hydro One was a party to those subsequent  
27  applications and so would have had the same knowledge.

28          MR. O'LEARY:   Okay.   Thank you.   Anything else?

1 MS. BUTANY-DeSOUZA: No.

2 MR. O'LEARY: Okay.

3 MS. SPOEL: I have a --

4 MS. CONBOY: Mr. -- oh, go ahead.

5 MS. SPOEL: Before you finish, Ms. DeSouza, can I just  
6 ask you, this map says "Rymal Road secondary plan". Does  
7 that mean it is part of the City of Hamilton official plan,  
8 or is this some other -- is it a secondary plan approved by  
9 the City of Hamilton, or is it -- or -- and so on, or has  
10 it got some other status as a planning document, or do you  
11 know?

12 MS. BUTANY-DeSOUZA: I am probably better off  
13 deferring to Mr. Freeman, who is the map expert.

14 MR. FREEMAN: So within the municipal framework for  
15 official plans, the official plan would have secondary  
16 plans that would be local neighbourhood-like plans that  
17 would be approved by the City of Hamilton.

18 I think what is being shown here is that a consultant,  
19 A.J. Clarke, has provided the technical work for the  
20 developer here, and this would be common, and then the City  
21 of Hamilton would work with this type of plan as the  
22 secondary plan for development of the area.

23 MS. SPOEL: Right. But my question was what is the  
24 legal status of it at this point? Is it actually an  
25 approved secondary plan for the entire area, or do you not  
26 know?

27 MR. FREEMAN: I couldn't -- I don't -- I can't speak  
28 to that. I'm sorry.

1 MS. SPOEL: Okay. Thank you.

2 MR. O'LEARY: But the area -- do you know the zoning  
3 of that area?

4 MR. FREEMAN: Yes. This area has been, as it was  
5 mentioned in my own earlier comments, as part of the urban  
6 official plan for development. And this would have been  
7 what the developer had proposed with the developer's  
8 consultant in conjunction with discussions with the City of  
9 Hamilton's municipal planning department.

10 MS. SPOEL: Thank you.

11 MR. O'LEARY: Indeed, in response to that, I didn't  
12 intend to take you, but just for, Ms. Spoel, your benefit,  
13 Horizon did file an urban Hamilton official plan, Rymal  
14 Road secondary plan. It was filed as part of the maps  
15 portion of the evidence in this matter, and it indicates  
16 that it was approved on March 16th, 2011, and it indicates  
17 the various areas of the Summit Park development that would  
18 be institutional. That's it.

19 MS. SPOEL: Thank you.

20 MR. O'LEARY: And that, I think, responds to your...

21 MS. SPOEL: Yes.

22 MR. O'LEARY: Yes.

23 The next map I am going to ask Ms. Lerette to speak to  
24 was also filed as an exhibit, KM3 at the motion, but I  
25 believe does appear in your documents. It is the one with  
26 a number of lines on it. It looks a bit like that.

27 MS. CONBOY: This one we have.

28 MS. SPOEL: Yes. It looks like it.

1 MS. CONBOY: And this one we will mark --

2 MS. HELT: We will mark as Exhibit K1.8. It was noted  
3 as the Horizon system map replacing the October 24th map  
4 marked as Exhibit KM3 at the motion.

5 **EXHIBIT NO. K1.8: HORIZON SYSTEM MAP REPLACING THE**  
6 **OCTOBER 24TH MAP MARKED AS EXHIBIT KM3 AT MOTION.**

7 MS. CONBOY: Thank you.

8 MR. O'LEARY: Just in respect of that, it was marked  
9 as a replacement because there had been something omitted  
10 on the earlier maps. It was updated.

11 MS. CONBOY: Thank you.

12 MR. O'LEARY: Ms. Lerette, could you please explain  
13 what the intention is by the production of this map. What  
14 do you intend to depict?

15 MS. LERETTE: Okay. The gray hatched area shows the  
16 existing Horizon Utilities' service territory, and just to  
17 put things in perspective, This is Rymal Road here. So the  
18 gray areas are the existing Horizon service territories.

19 It also depicts the Nebo transformer station where  
20 most of the services for the mountain come from. It shows  
21 the existing Horizon 29 M3 and 29 M4 express feeders out of  
22 Nebo TS that come up to Highland Road where we have a  
23 metering demarcation point.

24 MR. O'LEARY: Can I just stop you there? Is that the  
25 point that Mr. Freeman was referring to, being the  
26 connection between those feeders and the Horizon Utilities?

27 MS. LERETTE: Yes, it is.

28 MR. O'LEARY: All right.

1 MS. LERETTE: The blue lines indicate some 13.8  
2 feeders owned by Horizon Utilities that services the east  
3 end of Hamilton here out of Nebo TS.

4 MS. CONBOY: Sorry, can I interrupt you for a moment,  
5 please, Ms. Lerette? I think when you were referring to  
6 the express feeders of M3 and M4, I think you said they  
7 were Horizon feeders, or are they Hydro One feeders?

8 MS. LERETTE: This red section of the M3/M4 are Hydro  
9 One.

10 MS. CONBOY: Okay.

11 MS. LERETTE: They turn into Horizon feeders at the  
12 demarcation point.

13 MS. CONBOY: Okay, I think I misunderstood. Thank  
14 you.

15 MR. O'LEARY: Fine.

16 MS. LERETTE: The blue lines along Rymal Road and  
17 along Highland Road indicate our high voltage three-phase  
18 27.6 feeders.

19 MR. O'LEARY: Sorry, whose feeders are those?

20 MS. LERETTE: Horizon's.

21 MR. O'LEARY: Where are they located?

22 MS. LERETTE: They are located along Highland Road and  
23 along Rymal Road all the way to Highway 20, and this  
24 hatched area, residential area, north of Rymal and the  
25 previous sections of Summit Park are also fed from the 27.6  
26 feeders.

27 MR. O'LEARY: Can you roughly estimate the amount of  
28 time that the 27.6 feeder on Rymal Road east of Horizon's

1 has been in existence?

2 MS. LERETTE: Since at least 2005, I believe.

3 MR. O'LEARY: Okay. I believe the map also tries to  
4 depict the proposed circuit by Hydro One. Are you able to  
5 point that out?

6 MS. LERETTE: Yes. The green circuit here indicates  
7 the work done by Hydro One in the summer, which extends  
8 from this point here on Rymal Road all the way to the  
9 Summit Park development, where they have taken their  
10 existing 8 kV line, reframed, put new cross arms and new  
11 conductors and energized section at 27.6 through rabbit  
12 transformers that are installed right at Summit Park 7.

13 From Summit Park 7 east is an existing line of Hydro  
14 One energized at 8 kV.

15 MR. O'LEARY: Can I ask you -- just you started at the  
16 west where I think -- I can't...

17 Yes. Right at the connection with the Hydro One  
18 feeders and the Hydro One line that is proposed there, can  
19 you tell me, from that point to the east, did Hydro One  
20 have an existing 8.32 circuit?

21 MS. LERETTE: No. Their 8.32 circuit came along Rymal  
22 Road and ended just before Trinity Church Road. So this  
23 was not in existence here.

24 MR. O'LEARY: All right. And what did you -- and can  
25 you tell me, first of all, did you personally witness or  
26 look at the proposed new circuit under construction?

27 MS. LERETTE: Yes. We witnessed the new poles being  
28 installed along this section, and witnessed the re-framing

1 and re-conductoring of the poles, the existing poles along  
2 Rymal Road.

3 MR. O'LEARY: Do you know when Hydro One undertook  
4 that work?

5 MS. LERETTE: It was August/September/October time  
6 frame.

7 MR. O'LEARY: All right. And when you say "re-  
8 framing" can you provide us with an oral description of the  
9 state of the Hydro One poles along the south side of Rymal  
10 Road?

11 MS. LERETTE: So in this section the existing 8 kV  
12 line consisted primarily of 35-foot wood poles with cross-  
13 arm construction, so a pole with cross-arm, three  
14 insulators. They removed the cross-arms, put new cross-  
15 arms, new 27.6 insulators and installed new conductor along  
16 that, on the existing 35-foot wood poles.

17 MR. O'LEARY: Before we get to the height, can I ask  
18 you, do you have any information about the age of those  
19 poles?

20 MS. LERETTE: When we were in the field, we found date  
21 nails on some of the existing poles that were late 1950s.

22 MR. O'LEARY: All right. And you made mention of the  
23 height of 35 feet. Why is that of significance?

24 MS. LERETTE: Thirty-five foot poles for a three-phase  
25 27.6 circuit would be highly unusual. That would be sub-  
26 standard construction to current standards today.

27 At Horizon, we would install typically a 50-foot wood  
28 pole for a three-phase 27.6 circuit.



1 MR. O'LEARY: All right. Anything else Ms. Lerette?

2 MS. LERETTE: No. I think the other map goes into a  
3 little more detail.

4 MS. CONBOY: Sorry, can I just ask you with respect to  
5 the legend, which is clearly marked on this map, can you  
6 confirm that everything that is marked "proposed" is indeed  
7 still proposed? I am just looking at the date of the map  
8 and I am...

9 What can we take from the difference between the  
10 wording "existing" and "proposed"?

11 MS. LERETTE: So if I go down the legend, it may be  
12 helpful. The existing 13.8 kV Horizon Utilities is  
13 existing. Nothing has changed there.

14 MS. CONBOY: Yes.

15 MS. LERETTE: Existing M3/M4 Hydro One express feeders  
16 are still there, no change.

17 Proposed M3 Hydro One, the green, it is -- the  
18 conductor and everything is still there, but the evidence  
19 now shows that it is now going to be the M5 feeder, so that  
20 is a change.

21 Existing 8 kV Hydro One is still in existence per the  
22 map.

23 And, similarly, with the existing 27.6 Horizon, there  
24 is no change to that, other than we have installed  
25 additional cable along the west side of Fletcher Road that  
26 just has not been energize yet, but it is in the ground.

27 MS. CONBOY: Thank you.

28 MR. O'LEARY: All right. Just one question, Ms.

1 Lerette. In terms of the proposed M3 Hydro One, which is  
2 the green line, can you tell us: When this service area  
3 amendment application was filed on June 15th, 2012, was any  
4 portion of that circuit actually under construction?

5 MS. LERETTE: In June? You know, maybe the re-framing  
6 of the poles, but I don't recall the exact date when those  
7 -- when the taller poles were put in this section.

8 MR. O'LEARY: But you are not aware?

9 MS. LERETTE: No.

10 MR. O'LEARY: All right, thank you. We have another  
11 map. It goes like this. This is the long one.

12 Do you want to speak to the eastern portion, and then  
13 the western portion? Would that be easy?

14 MS. LERETTE: Sure.

15 MR. O'LEARY: All right. This map was marked earlier,  
16 Madam Chair, as -- is it KM or K1.3? Just K; right?

17 MS. HELT: K1.3 was the map that was filed. It was a  
18 Horizon interrogatory response to an interrogatory from  
19 Hydro One, Interrogatory No. 12, attachment 3.

20 MR. O'LEARY: My apologies. I just mislabelled it.

21 So, Ms. Lerette, I am producing a map in two parts.  
22 As I understand it, this is the eastern edge of Summit Park  
23 over to Swayze Road.

24 MS. LERETTE: That's Swayze.

25 MR. O'LEARY: Can you please depict -- we do have some  
26 large copies.

27 MS. CONBOY: I think we are good for now with this  
28 one. And to the extent that we need, we will get them

1 afterwards.

2 MR. O'LEARY: There are a number of lines. They're  
3 very faint, but some are blue, some are orange. Can you  
4 please advise us what you intend to depict with this map?

5 MS. LERETTE: Sure. So the single blue line on the  
6 north side of Rymal Road depicts Horizon's existing  
7 overhead three-phase 27.6 circuit. From that overhead  
8 circuit you will see multiple blue lines coming off, which  
9 are underground circuits that are dipping off this overhead  
10 going down, so here they come into the smart centres and  
11 Brooks of 20. Again, overhead line comes in underground to  
12 these commercial developments, and three-phase overhead  
13 line heads north to a residential subdivision north of  
14 Rymal.

15 MR. O'LEARY: All right. And if the Hydro One 27.6  
16 proposed circuit along Rymal Road is constructed, where  
17 would it appear on that map?

18 MS. LERETTE: It would appear along the south side of  
19 Rymal, right here.

20 MR. O'LEARY: All right. And at the east end, can you  
21 indicate for the Board, what are the commercial properties,  
22 or which are the commercial properties that are being  
23 served by Horizon?

24 MS. LERETTE: So this is the Walmart. So everything  
25 west of Swayze is being serviced by Horizon. So this is a  
26 big Walmart development. These are big-box stores, and  
27 these are more big-box stores here, all serviced from the  
28 line on the north side of Rymal Road.

1 MR. O'LEARY: Thank you.

2 I am now producing the western end of Summit Park,  
3 which is still part of K1.3. And can you please provide us  
4 with a summary of what this map depicts?

5 MS. LERETTE: Okay. So this is a continuation of the  
6 other map. So our three-phase overhead 27.6 line continues  
7 on the north side of Rymal Road and dead-ends just before  
8 Trinity Church Road. Then we show three underground cables  
9 dipping down, feeding the Summit Park developments.

10 And the blue lines, again, are indicating underground  
11 distribution cables. Again, we are dipping down with  
12 underground cables, again providing backups for the Summit  
13 Park development here.

14 The orange lines within this area just indicate  
15 secondary services, or the 122 40-volt, but the blue lines  
16 are all high-voltage cables, and extends over to Summit  
17 Park, Phase 6, here.

18 MR. O'LEARY: All right. So staying with Summit Park,  
19 Phase 6, are there circuits that run along the road which  
20 run in an east-west fashion?

21 MS. LERETTE: Yes. They're running -- there is three-  
22 phase cable here. Then it loops around and comes back and  
23 dead-ends right here.

24 MR. O'LEARY: All right. And to what extent has any  
25 provision been made to extend that when the subdivision  
26 continues east?

27 MS. LERETTE: So when it continues east we will just  
28 continue exactly from this point onward. So it is ready to

1 be continued.

2 MR. O'LEARY: All right. And in respect of part I,  
3 which is Phase 7, can you identify the connection points  
4 that Horizon would propose for that subdivision?

5 MS. LERETTE: Okay. So what is not indicated in this  
6 map, as I said on the previous map, we do have an  
7 underground cable running along the west side of Fletcher,  
8 and transformers to feed these lots here. Not these lots,  
9 but these existing lots here.

10 So when we feed -- if we were to feed Summit Park 7 we  
11 would come from here and feed it, and this would be the  
12 backup circuit. So we would come from this three-phase  
13 section right here.

14 MR. O'LEARY: And what is the approximate distance of  
15 that, Ms. Lerette, roughly?

16 MS. LERETTE: I don't know. A couple hundred feet.

17 MR. O'LEARY: All right. And there are three  
18 properties which are the subject of part II of the service-  
19 area amendment applications. Are they identified on that  
20 map?

21 MS. LERETTE: Yes. They are these three right here.

22 MR. O'LEARY: And how would you propose to service  
23 them?

24 MS. LERETTE: They will be serviced from the new cable  
25 and transformers that were just installed on the west side  
26 of the road, and there is existing hydro on either side of  
27 these lots. They're ready to be connected.

28 MR. O'LEARY: All right. And in terms of the four

1 homes on Rymal Road East, which are on the south side,  
2 which are the subject of part III of this application, how  
3 would you propose to serve them?

4 MS. LERETTE: We could serve them from the existing  
5 line on the north side of Rymal Road.

6 MR. O'LEARY: All right. There is a large area at the  
7 corner of Trinity Church and Rymal which doesn't have any  
8 circuits. May I ask, does that relate to part IV, which is  
9 the school board?

10 MS. LERETTE: Yes. This is Bishop Ryan school right  
11 here.

12 MR. O'LEARY: And how would you propose to serve it,  
13 from a connection point?

14 MS. LERETTE: Our proposed connection point is from  
15 Rymal Road, going under Rymal to service. The transformer  
16 is located in this area. We do have an option of coming  
17 from these circuits, but the customer's equipment is all  
18 located on the north side of the property.

19 MR. O'LEARY: All right. And since we now have it in  
20 a larger scale, can you identify for the benefit of the  
21 Board where Hydro One's Legacy 8.32 kV circuit dead-ended?

22 MS. LERETTE: It ended right about here. So it would  
23 come this way and dead-end about right there.

24 MR. O'LEARY: Right. And you say the power was coming  
25 from which direction?

26 MS. LERETTE: It was coming from east to west.

27 MR. O'LEARY: All right. Thank you.

28 And on the west side Of Trinity Church Road, can you

1 just confirm for us whose service territory that is?

2 MS. LERETTE: That is Horizon's service territory.

3 MR. O'LEARY: Thank you.

4 MS. LERETTE: Am I done, or...

5 MR. O'LEARY: No. Do you want to sit down?

6 MS. LERETTE: If you want me to, unless you want me  
7 to...

8 MR. O'LEARY: I was going to bring another -- did you  
9 want to say something else about the other one?

10 MS. LERETTE: Sure.

11 MR. O'LEARY: Okay. Let me just get this one out of  
12 the way.

13 Madam Chair, this is the one that was marked this  
14 morning as K1.4, and it is the map that Horizon Utilities  
15 recently put together, and I can't see it. Do you have a  
16 copy?

17 Ms. Lerette, can you advise -- and if there is anyone  
18 else on the panel that feels they should jump in, certainly  
19 feel free to. But could you please advise, what was the  
20 purpose and intent of your creation of this map?

21 MS. LERETTE: The intent of this map was to show where  
22 Summit Park 7 was in relation to Horizon's existing service  
23 territory and feeders and the proposed M5 feeder of Hydro  
24 One.

25 MR. O'LEARY: All right. And let me just go back a  
26 bit. We saw on a map earlier that Mr. Freeman spoke to,  
27 there was a circle, and it referenced an M3/M4 connection  
28 point as being the earlier believed connection point

1 between the new 27.6 circuit proposed by Hydro One and  
2 those feeders.

3 Could you speak to that at all? Do you have any  
4 recollection of why Horizon came to that conclusion?

5 MS. LERETTE: Well, initially we thought the M3 and M4  
6 connection was going to be here, where the blue circle was  
7 on that other map, because we saw new poles along Rymal  
8 Road here, but we also saw an additional pole on the north  
9 side that was staked, ready to go. The pole was in the  
10 ditch. It hadn't been installed yet. So we assumed that  
11 they were using that pole just to tap into that circuit at  
12 the corner.

13 MR. O'LEARY: All right. And as a result of the  
14 evidence filed by Hydro One, both pre-filed and through its  
15 interrogatories, has an effort been made to attempt to  
16 determine what it is they're now proposing to do?

17 MS. LERETTE: Yes. According to their evidence, they  
18 are not connecting at this point as we assumed, but they  
19 are connecting to the M5 circuit here and building a new  
20 pole line north until it hits Rymal Road along the right-  
21 of-way.

22 MR. O'LEARY: All right. So perhaps we could just  
23 start you at the Nebo transformer station, and if you could  
24 describe the route that you understand Hydro One is going  
25 to take, at least initially, to provide power to the school  
26 and to the Phase 7 development.

27 MS. LERETTE: Okay.

28 MS. CONBOY: Sorry, Mr. O'Leary, can I -- can you



1 explain to me why you are asking Ms. Lerette this, when  
2 we're going to be hearing from the Hydro One witnesses? As  
3 opposed to her presuming where they're going to go, I think  
4 we will get an idea of where they're actually going to go  
5 when we have them on the stand.

6 MR. O'LEARY: Have you sent your field personnel out  
7 to examine the M5 circuit and the other work that has been  
8 completed by Hydro One recently?

9 MS. LERETTE: Yes, we have.

10 MR. O'LEARY: All right. And I understand your  
11 question, Madam Chair, but let me ask some questions.

12 Have you -- has your staff observed any work by Hydro  
13 One down Nebo Road?

14 MS. LERETTE: Yes, they have.

15 MR. O'LEARY: What have they seen?

16 MS. LERETTE: Well, in this whole general area,  
17 actually, there is a lot of construction happening in this  
18 whole area from Hydro One. So there is many pole lines  
19 being built right now.

20 MR. O'LEARY: All right. And on Nebo Road, have there  
21 been any pole lines?

22 MS. LERETTE: I believe so.

23 MR. O'LEARY: All right.

24 MR. ENGELBERG: Madam Chair, if I could be of help  
25 here, perhaps?

26 MS. CONBOY: Yes.

27 MR. ENGELBERG: You are correct in stating that you  
28 will be hearing from Hydro One witnesses that Hydro One's

1 difficulty with this particular map, K1.4, is that although  
2 Hydro One understands that it's Horizon's belief as to what  
3 Hydro One is building, it is not, in fact, what Hydro One  
4 is building.

5 MS. CONBOY: Okay. So why don't we try and stick with  
6 what Horizon is doing, the plans that you have and the  
7 costs that you understand. Then when we get to Hydro One,  
8 we can have a good understanding of what they're doing.

9 MR. O'LEARY: I will just ask a couple of factual  
10 questions, then, just as to whether we --

11 MS. CONBOY: Factual questions would be great.

12 MR. O'LEARY: Yes. So starting at Rymal Road and the  
13 dotted line, yes, down -- so southwest, all right?

14 Is that some sort of a corridor?

15 MS. LERETTE: Yes. That is a Hydro One right of way  
16 right here.

17 MR. O'LEARY: All right. And as of early 2012, did  
18 Hydro One -- other than the M3/M4 or those two feeders, did  
19 Hydro One have a circuit running up that corridor?

20 MS. LERETTE: No. Not along here, no. Just the high  
21 tension lines, not distribution lines.

22 MR. O'LEARY: Thank you. All right. And based upon  
23 your observation, how far has the 27.6 proposed line of  
24 Hydro One been extended to the east along Rymal Road?

25 MS. LERETTE: It has only been -- the 27.6 line has  
26 only gone from right outside Summit Park to -- energized to  
27 here, but it's built. It is ready to be built all the way  
28 to here.

1 MS. SPOEL: Sorry, when you say "to here", can you  
2 describe, because the transcript won't show where you are  
3 pointing? So can you give us a verbal of description of  
4 where "to here" is?

5 MS. LERETTE: Where the high tension right of way  
6 meets Rymal Road.

7 MS. SPOEL: Thank you.

8 MR. O'LEARY: When you say "built to here", how recent  
9 has that building been?

10 MS. LERETTE: That was late in 2012.

11 MR. O'LEARY: All right.

12 MS. LERETTE: But they haven't done this construction  
13 yet.

14 MR. O'LEARY: So the part you are referring to --

15 MS. LERETTE: Along the high tension right of way.

16 MR. O'LEARY: So that remains, to your knowledge,  
17 proposed, because it hasn't been built?

18 MS. LERETTE: Right.

19 MR. O'LEARY: All right. Thank you, Ms. Lurette.

20 You will be happy to hear that I think we're done with  
21 the maps.

22 MS. CONBOY: Just when I learned how to fold them. I  
23 am wondering, Mr. O'Leary, if you would -- I think we are  
24 going to take our morning break now.

25 When we come back, have you finished your examination  
26 in-chief?

27 MR. O'LEARY: No.

28 MS. CONBOY: Okay. Is this the part where you will

1 just be getting to part I, though?

2 MR. O'LEARY: Well, and some of the related -- it will  
3 deal with certain issues that relate to all of it, such as  
4 the cost of the 27.6 circuits, that sort of thing.

5 MS. CONBOY: Okay, thank you.

6 So we are going to break for 20 minutes. I will  
7 encourage you to stick to your known facts as opposed to  
8 what it is that you understand Hydro One might or might not  
9 be doing. Thank you.

10 --- Recess taken at 11:36 a.m.

11 --- On resuming at 12:01 p.m.

12 MS. CONBOY: Thank you, everyone. Please be seated.

13 Mr. O'Leary, please proceed.

14 MR. O'LEARY: Thank you, Madam Chair.

15 Ms. Lerette, or perhaps other members of the panel, I  
16 am going to move on now to an area. In Horizon's  
17 interrogatory response to Hydro One, No. 12, you filed some  
18 information about the planned upgrades to the Nebo  
19 transformer station and work that is going to be undertaken  
20 to benefit Horizon.

21 Could I ask you to, please, briefly explain why the  
22 upgrades at Nebo are necessary?

23 MS. LERETTE: The upgrade to Nebo TS is necessary to  
24 fix capacity issue. The station is already at over  
25 capacity as of 2011, I believe. And it is to upgrade to  
26 supply overall capacity constraints.

27 MR. O'LEARY: All right. And are you the sole utility  
28 that receives power from that transformer station?

1 MS. LERETTE: Horizon has two feeders currently and  
2 Hydro One has four.

3 MR. O'LEARY: And when you say the station has need of  
4 upgrading, are you referring only to that portion which  
5 relates to Horizon, or is it an issue for both utilities?

6 MS. LERETTE: It is an issue for both utilities.

7 MR. O'LEARY: All right. And do you understand -- can  
8 you explain to us the source -- the proposed source of the  
9 power for the school and the Summit Park, Phase 7 that  
10 Hydro One is going to supply through the new circuit along  
11 the south side of Rymal Road East?

12 MS. LERETTE: Hydro One's evidence shows that they are  
13 planning to service Summit Park 7 and Bishop Ryan school  
14 with the M5 circuit.

15 MR. O'LEARY: And that runs from which transformer  
16 station?

17 MS. LERETTE: That comes from Nebo transformer  
18 station.

19 MR. O'LEARY: All right. And can you advise me  
20 whether or not you are aware of whether Hydro One is also  
21 contracting for upgrades at the Nebo transformer station?

22 MS. LERETTE: Yes. It is a shared agreement between  
23 Horizon and Hydro One to upgrade the station.

24 MR. O'LEARY: All right. And can I ask you -- and  
25 it's for you or for Mr. Burman -- in the event that the  
26 upgrades did not take place at the Nebo transformer station  
27 -- first of all, let's just ask from Horizon's perspective.  
28 It is already at capacity. How are you able to provide

1 service to the school and Summit Park, Phase 7?

2 MS. LERETTE: Our existing feeders, the M3 and the M4  
3 feeder, are not at capacity. The issue is at the station,  
4 not at the feeder level. So we can supply service to  
5 Summit Park and the school, no problem.

6 And in the case where the -- we have problems because  
7 the station becomes overloaded in general, we can offload  
8 the M3 and the M4 to two other transformer stations. So we  
9 have interconnection ties to two other transformer stations  
10 that we can help with the overload issue at Nebo.

11 MR. O'LEARY: So for those of us that are not as  
12 technical as yourself, what, in lay terms, are you doing?

13 MS. LERETTE: When we have interconnection ties?

14 MR. O'LEARY: Yes.

15 MS. LERETTE: So an overhead feeder has a switch that  
16 ties two stations together. We can close that switch and  
17 transfer the load to another station.

18 MR. O'LEARY: All right. And in respect of Hydro One  
19 and its proposed service to Phase 7, which is part I and  
20 part IV, which is the school, do you have a view about  
21 whether it faces any limitations as a result of the  
22 capacity at Nebo?

23 MS. LERETTE: I believe they would have capacity  
24 issues. They do not have the same interconnectability that  
25 we do with other transformer stations, so the capacity  
26 would be an issue for Hydro One making those connections.

27 MR. O'LEARY: All right. Mr. Burman, do you have a  
28 view as to the appropriateness or necessity of any upgrades

1 at Nebo to ultimately provide power to the school and Phase  
2 7 of the Summit Park development?

3 MR. BURMAN: From the evidence, it shows that Nebo is  
4 above its LTR right now. I would suggest that it needed to  
5 be increased in capacity before anything proceeded on that  
6 basis.

7 MR. O'LEARY: Thank you.

8 Ms. Lerette, once again, you spoke briefly earlier  
9 when we were going through the maps about various poles  
10 along Rymal Road East, and there is some evidence back and  
11 forth between the utilities about the potential need for  
12 the replacement of poles on either side of Rymal Road East.

13 And I am asking this question, Madam Chair, because it  
14 applies to the whole stretch, from Trinity Church over to  
15 Swayze, and therefore applies to all five parts.

16 MS. CONBOY: Thank you.

17 MR. O'LEARY: First of all, could you describe the  
18 issue? What is the issue about potentially having to  
19 relocate or remove poles?

20 MS. LERETTE: The City of Hamilton is undertaking a  
21 road-widening along Rymal Road, along the stretch of Rymal  
22 Road, and this will require the relocation of poles along  
23 the south side of Rymal Road.

24 In the early stages, you know, five years or so ago,  
25 five, six, seven years, when we installed the poles on the  
26 north side of the road, we knew about this future road-  
27 widening. We worked very closely with the City to locate  
28 these poles in a spot that we wouldn't have to move them in

1 the future.

2 And I believe that's the case, although the final  
3 design is not done, but they have identified poles along  
4 the south side of the road that need to be relocated.

5 MR. O'LEARY: All right. And you spoke earlier about  
6 the age of some of these poles and the height of some of  
7 these poles. Is there any indication of whether the City  
8 will require street lights on either side of Rymal Road  
9 East?

10 MS. LERETTE: The current plan is provide street  
11 lighting on both sides of Rymal Road. So the City wants  
12 street lighting on both sides of the road.

13 MR. O'LEARY: And based upon your experience, are the  
14 poles on the south side capable of handling street lights  
15 and the 27.6 circuit that Hydro One is proposing?

16 MS. LERETTE: No. 35-foot poles with three-phase 27.6  
17 would not be able to facilitate a street light.

18 MR. O'LEARY: So what has to be done then in the  
19 future to deal with those issues?

20 MS. LERETTE: So the poles need to be relocated and  
21 taller poles installed.

22 MR. O'LEARY: I am going to ask you now to turn to the  
23 -- it is document 1 in Exhibit K1.2.

24 MS. CONBOY: Sorry, Ms. Lerette, when you are talking  
25 about the pole relocation on the south side, it was my  
26 understanding from the maps that those are Hydro One poles  
27 and Hydro One lines that you're saying will have to be  
28 relocated?



1 MS. LERETTE: Yes. And the City is working with both  
2 Horizon and Hydro One currently.

3 MS. CONBOY: Thank you.

4 MR. O'LEARY: At tab 1 is a document entitled "Summit  
5 Park 7 comparison of costs to serve updated", and Mr.  
6 Roberge, is it you that I should be asking questions about  
7 this document?

8 MR. ROBERGE: Yes.

9 MR. O'LEARY: All right. And when did you prepare  
10 this document?

11 MR. ROBERGE: I prepared this document during the last  
12 week, when all the evidence became available from the IRs  
13 and what was filed with -- by Hydro One.

14 MR. O'LEARY: All right. And what is your intention  
15 by preparing this comparison?

16 MR. ROBERGE: It is to have an apples-to-apples  
17 comparison between the proposed OTCs from both parties.

18 MR. O'LEARY: All right. So perhaps we could go  
19 through it on a line-by-line basis. I see the column on  
20 the left is Horizon Utilities, and I presume that is  
21 intended to depict your costs?

22 MR. ROBERGE: Yes.

23 MR. O'LEARY: And the column on the right is Hydro  
24 One? MR. ROBERGE: Yes.

25 MR. O'LEARY: All right. So if we look at the first  
26 line, "costs to prepare offer to connect", for Horizon  
27 Utilities there is a zero. Why is that?

28 MR. ROBERGE: Because we don't charge any money to

1 prepare an offer to connect, as per the Distribution System  
2 Code.

3 MR. O'LEARY: All right. And under Hydro One at line  
4 1 there is a figure of 12,878. Where does that figure come  
5 from?

6 MR. ROBERGE: In the first quarter of 2012, in order  
7 for Hydro One to provide an offer to connect to the develop  
8 -- the developer had to pay \$14,800 to put the offer to  
9 connect into motion. And later on, once the offer to  
10 connect was produced, that number was reduced to 12,878.

11 MR. O'LEARY: All right. Madam Chair and members of  
12 the Board, it might be helpful if I asked you to turn up,  
13 just as we go through this, the offer to connect from Hydro  
14 One to Multi-Area, just to see where the source of these  
15 numbers are. It actually appears under their pre-filed  
16 evidence at Appendix D.

17 MS. CONBOY: Well, and we have separated out for our  
18 own purposes too the offers to connect. So is this the  
19 date on that offer to connect? And what part are we  
20 talking about, sorry?

21 MR. O'LEARY: We would go to the schedule.

22 MS. HELT: Mr. O'Leary, can I just clarify? Is it the  
23 offer to connect that was revised on July 12th -- I'm  
24 sorry, August 17th?

25 MR. O'LEARY: It is -- the one in the pre-filed  
26 evidence is the one signed by Gordon Messervey, a Hydro One  
27 supervisor, planning and design on September 10th, 2012.  
28 And it indicates it was also signed by -- on behalf of the

1 developer in around that date, as well. At page 5, Multi-  
2 Area Developments and Aldo DeSantis executed it on December  
3 7th, but it -- the version that we have in the prefiled  
4 evidence is an agreement dated the 27th day of July 2012,  
5 but it was subsequently amended before it was executed by  
6 Multi-Area.

7 I am not going to go to those -- I don't think there  
8 is any amendments in the areas I am going to, but it is the  
9 part that is in their prefiled evidence.

10 So I am suggesting we go to section 3.3, which is the  
11 non-contestable work.

12 MS. CONBOY: I'm sorry, I am still trying to find the  
13 offer to connect. The date on the offer to connect,  
14 please, again Mr. O'Leary?

15 MR. O'LEARY: The date is on the very second page, and  
16 it is dated July 27th, 2012. The one that was filed with  
17 Horizon's material was not the executed version, and Hydro  
18 One subsequently filed with their evidence the executed  
19 version.

20 MS. CONBOY: Okay.

21 MR. O'LEARY: That is the one that has been amended,  
22 and that is the one I am referring to.

23 MS. CONBOY: The executed one?

24 MR. O'LEARY: Yes.

25 MR. ENGELBERG: Madam Chair, it has the Hydro One logo  
26 on the front page, on the cover page.

27 MS. HELT: It may assist the Panel. It is in the  
28 package of evidence that Hydro One filed on January 11th,

1 2013 and it is at the very back of that evidence.

2 MR. O'LEARY: In fact, if you have that package, I can  
3 count the number of pages back.

4 MS. CONBOY: I have it.

5 MR. O'LEARY: Seven pages from the back of that  
6 package.

7 MS. HELT: I have a copy here that I could provide the  
8 Panel, if there is no objection to that.

9 MS. CONBOY: Okay. If we all have -- we all have it.  
10 Thank you.

11 MR. O'LEARY: And is it possible for Board Staff to  
12 put it up on the screen, just in the event that...

13 MS. HELT: No, we don't have the electronic evidence  
14 available.

15 MR. O'LEARY: All right. Let me start by asking you -  
16 - do you have it, Mr. Roberge?

17 MR. ROBERGE: Yes, I do.

18 MR. O'LEARY: Could you please just turn to the third  
19 page of the offer to Multi-Area?

20 MS. CONBOY: It also appears to be on the screen now,  
21 Mr. O'Leary.

22 MR. O'LEARY: Great. It is page number 3, right above  
23 the subheading "Term", and you see it says "Option B" and  
24 there is an initial and a signature?

25 MR. ROBERGE: Yes.

26 MR. O'LEARY: Could you advise what that means?

27 MR. ROBERGE: That would mean that the developer chose  
28 option B, which is the option to develop the subdivision

1    itself.

2           MR. O'LEARY:   All right.   And under the Distribution  
3 System Code, I understand there is a difference between  
4 contestable and non-contestable work?

5           MR. ROBERGE:   Yes.

6           MR. O'LEARY:   Can you please explain the difference?

7           MR. ROBERGE:   The contestable work is work that is  
8 eligible by the developer to perform and non-contestable is  
9 work that is not eligible, which has to be done by the LDC.

10          MR. O'LEARY:   All right.   So when you choose option B,  
11 it means that the developer has chosen to do what?

12          MR. ROBERGE:   To do the work that is eligible to do,  
13 to -- for him for the subdivision.

14          MR. O'LEARY:   Right.   So the developer will undertake  
15 the work?

16          MR. ROBERGE:   Yes.

17          MR. O'LEARY:   All right.   So then going to the section  
18 on the screen, 3.3, right at the top, it indicates option  
19 B.

20          Can you advise whether or not we're looking at the  
21 right page?

22          MR. ROBERGE:   Yes, we would be looking at the right  
23 page.

24          MR. O'LEARY:   All right.   So I started asking you,  
25 going back to tab 1 of Exhibit K1.2 -- and we're at line 1.  
26 You indicated a figure of \$12,878 being the cost to prepare  
27 the offer to connect that Hydro One gave to Multi-Area?

28          MR. ROBERGE:   Yes.

1 MR. O'LEARY: Correct? And does that appear on the  
2 first page of option -- 3.3, option B?

3 MR. ROBERGE: Yes. Those costs appear there at line  
4 1.1, design costs subject to HST, the first figure.

5 MR. O'LEARY: All of these figures are without taxes?

6 MR. ROBERGE: It is subject -- yes, it is without  
7 taxes.

8 MR. O'LEARY: So the figure you included in the table  
9 comes from their offer to connect?

10 MR. ROBERGE: Yes, it does.

11 MR. O'LEARY: Let's go to line 2, engineering and  
12 inspection. The \$31,945 for Horizon Utilities, where is  
13 that figure taken from?

14 MR. ROBERGE: That figure would be coming from the  
15 contestable costs that Horizon would estimate and would  
16 just base it as a proportion, a percentage of the total  
17 contestable cost.

18 MR. O'LEARY: All right. And did that figure -- was  
19 it included in Horizon Utilities' offer to connect?

20 MR. ROBERGE: No, because this table is a revised  
21 table to offer a better apples-to-apples comparison.

22 MR. O'LEARY: All right. So --

23 MR. ELSAYED: Can I just clarify something? The  
24 statement in general is a comparison of the cost to the  
25 developer, not necessarily the incurred cost by the  
26 utility?

27 MR. ROBERGE: Yes. It is a comparison between the two  
28 utilities that the developer would see.

1 MR. ELSAYED: Okay, thank you.

2 MR. O'LEARY: And hopefully this will become more  
3 evident, as to how much is actual costs and how much are  
4 estimates, as we go through it, sir.

5 The figure under the Hydro One column is \$38,254?

6 MR. ROBERGE: Yes.

7 MR. O'LEARY: Is that taken from the Hydro One offer  
8 to connect?

9 MR. ROBERGE: Yes, from table 3.3, part IV.

10 MR. O'LEARY: So the next page we see --

11 MR. ROBERGE: No, it was on the same page. If you  
12 want to -- whoever is scrolling through the pages...

13 MR. O'LEARY: There it is.

14 MR. ROBERGE: Yes.

15 MR. O'LEARY: So it is part II, non-contestable work,  
16 and there is an indication at line 4.2, worksite  
17 inspection.

18 MR. ROBERGE: Yes.

19 MR. O'LEARY: That is where that number comes from?

20 MR. ROBERGE: Yes.

21 MR. O'LEARY: Thank you.

22 Next one is upstream electrical distribution expansion  
23 costs. There is a figure of \$127,953 for Horizon. Where  
24 was that figure taken from?

25 MR. ROBERGE: It is from the Horizon Utilities' offer  
26 to connect. It is from our schedule B and it represents  
27 proportion of the feeder that the developer is responsible  
28 for.

1 MR. O'LEARY: All right. And is there any -- in that  
2 figure, is there any amount included for transformation?

3 MR. ROBERGE: Yes there is a small portion for  
4 transformer upstream and the rest is feeder upstream.

5 MR. O'LEARY: All right.

6 MR. ROBERGE: Also itemized in our offer to connect.

7 MR. O'LEARY: All right. In terms of how Horizon  
8 actually comes up with and values the expansion work costs  
9 that are included in its offers to connect, can members of  
10 the panel advise us how you do it?

11 MR. ROBERGE: We use a pool approach where we use a  
12 sliding average of previous five years, and we determine  
13 the cost of the upstream projects that we have done.

14 We assess the number based on the sliding average, and  
15 we assign it based on how much load the developer will need  
16 as they're hooking up to a particular feeder.

17 MR. O'LEARY: You said a sliding average. Do you mean  
18 a rolling average over five years?

19 MR. ROBERGE: Yes.

20 MR. O'LEARY: All right. So you're asking your  
21 historical costs?

22 MR. ROBERGE: Yes.

23 MR. O'LEARY: Do those historical costs also include  
24 expansion work that was undertaken in those five years?

25 MR. ROBERGE: Yes.

26 MR. O'LEARY: If I could, then -- let me just ask  
27 first of all, we know the Nebo transformer station is being  
28 upgraded?



1 MR. ROBERGE: Yes.

2 MR. O'LEARY: Right. How about the necessity of  
3 building a new 27.6 circuit? Does Horizon Utilities have  
4 to build a new 27.6 circuit to serve either the school or  
5 Phase 7?

6 MR. ROBERGE: No, we don't have to. We have capacity  
7 at the roadside.

8 MR. O'LEARY: Thank you.

9 Then at item 3 for Hydro One there is a figure of  
10 \$440,000. Can you please tell us where that figure comes  
11 from and how it was calculated?

12 MR. ROBERGE: Well, Hydro One did not include any  
13 upstream costs in their offer to connect. Again, on the  
14 same page on the screen, if we look up, just scroll down, I  
15 mean, so we can -- whoever runs the computer. Yes, it is  
16 line 3.1, the non-contestable line expansion costs.  
17 Nothing was added from Hydro One on their offer to connect.

18 So what we did is, to have a better comparison, we  
19 added the work based on the evidence that they were  
20 building a 2.2-kilometre feeder. Somewhere else in the  
21 estimate there was a 14-kilometre feeder being built for  
22 2.8 million.

23 So just using a ratio, we came up with the figure of  
24 440 to represent the amount of expansion work required to  
25 feed this new development.

26 MR. O'LEARY: All right. Mr. Burman, just on that  
27 point, your report also spoke to, based upon your  
28 experience, the estimated or anticipated costs that a

1 circuit of that length would cost for a utility to  
2 construct. And you did give an opinion in your report.

3 I am just wondering whether -- if you have any  
4 thoughts as to whether the \$440,000 which Mr. Roberge has  
5 included in this table is at all consistent with or adverse  
6 to your view and estimate of the costs of the proposed  
7 Hydro One circuit?

8 MR. BURMAN: I don't like to use rules of thumb for  
9 the most part, but in this case, just a benchmark, it is  
10 within reason, within the same approximate range of costs.

11 MR. O'LEARY: All right. Thank you.

12 Going to --

13 MS. BUTANY-DeSOUZA: Can I add to that?

14 MR. O'LEARY: Certainly.

15 MS. BUTANY-DeSOUZA: Sorry, in addition, Horizon  
16 Utilities in its response to Board Staff Interrogatory 1(a)  
17 had cited and offered in evidence an e-mail from Gordon  
18 Messervey of Hydro One that also indicated that the cost in  
19 order to provide supply for the 2 kilometres would be  
20 approximately \$400,000.

21 MR. O'LEARY: Could you please provide us the date of  
22 that correspondence, and perhaps you could read it?

23 MS. BUTANY-DeSOUZA: Sorry. Could I have the page  
24 back? Yes.

25 MR. O'LEARY: Who is it to, the date?

26 MS. BUTANY-DeSOUZA: So the e-mail was from Gordon  
27 Messervey to James Hall, also of Hydro One.

28 MR. O'LEARY: Who is Gordon Messervey?

1 MS. BUTANY-DeSOUZA: The supervisor, planning and  
2 design, and he is also the counter-party on the offer to  
3 connect -- the offer to connect to Multi-Area Developments.  
4 The date of the e-mail is February 22nd, 2012.

5 MR. O'LEARY: Okay. And would you please read it?

6 MS. BUTANY-DeSOUZA:

7 "Hi Jim,

8 "I have no problem sending the customer a package  
9 and this will most likely be sent out to them  
10 tomorrow.

11 "Based on the information I have seen on this  
12 site would this project not fall into the  
13 category or be considered one that we would  
14 support the SAA", service area amendment, "on?  
15 Isn't there approximately \$400K of  
16 expansion/enhancement just to get our supply to  
17 the site?"

18 MR. O'LEARY: And do you know how Horizon came into  
19 possession of that particular e-mail?

20 MS. BUTANY-DeSOUZA: The e-mail was forwarded -- it  
21 was in a forwarded e-mail chain from Multi-Area  
22 Developments to Hydro One -- to Horizon Utilities, excuse  
23 me.

24 MR. O'LEARY: So your point, relative to the valuation  
25 of the 2.2 proposed circuit along Rymal Road, is...

26 MS. BUTANY-DeSOUZA: Well, our expert, Mr. Burman, has  
27 indicated that he doesn't -- he prefers not to use rules of  
28 thumb, but for this, for this -- in this case that that

1 seems reasonable.

2 And Mr. Roberge has offered a similar computation.  
3 The purpose of my citing this additional response to  
4 interrogatory is that it is substantiated by the supervisor  
5 of planning and design from Hydro One.

6 MR. O'LEARY: Thank you.

7 Going down to item 4 in tab 1 of Exhibit K1.2,  
8 uncontestable costs. And just so we are clear again, these  
9 are the costs that the utility must bear to deal with its  
10 own assets?

11 MR. ROBERGE: Yes, you're right.

12 MR. O'LEARY: All right. So the figure of 132,000,  
13 can you tell me where that comes from?

14 MR. ROBERGE: That comes from our offer to connect,  
15 but the number was somewhat reduced from the original one.  
16 The number used to be 132, plus \$50,000. The \$50,000  
17 represented the connection costs, which was the costs to  
18 connect the subdivision to the closest feeder.

19 But since the offer to connect, Horizon Utilities  
20 entered a new CCRE with the developer, where we had to  
21 build a link to Rymal Road to attach the M3 feeder. So  
22 this work is already done, so we removed it from the  
23 comparison.

24 MR. O'LEARY: All right. So just -- let's stay with  
25 you for a minute, Mr. Roberge. In Horizon Utilities'  
26 original offer to connect there was a \$50,000 connection  
27 fee included --

28 MR. ROBERGE: Yes.

1 MR. O'LEARY: And that has been removed from this  
2 table?

3 MR. ROBERGE: Yes.

4 MR. O'LEARY: And Ms. Lerette, I think you spoke about  
5 some recent work on Fletcher Road?

6 MS. LERETTE: Yes. That was -- that's exactly related  
7 to the 50,000. So we brought a circuit from our pole line  
8 on the north side of Rymal, under Rymal, down the west side  
9 of Fletcher to service these new lots.

10 MR. O'LEARY: And who is the developer of those lots?

11 MS. LERETTE: Multi-Area Developments.

12 MR. O'LEARY: The same owner as the rest of the lands.

13 MS. LERETTE: Yes.

14 MR. ROBERGE: Yes.

15 MR. O'LEARY: All right. So then the 132,000 then  
16 represents what sort of work then?

17 MR. ROBERGE: It is the service and metering from the  
18 property line to the meter, and it represents our standard  
19 cost of \$460 times 287 lots.

20 MR. O'LEARY: All right. Moving to the right, the  
21 \$520,000 figure for Hydro One, can you tell us the source  
22 of that figure?

23 MR. ROBERGE: It is from Hydro One's offer to connect,  
24 Table 3.3.

25 MR. O'LEARY: All right. So if we could go to the  
26 previous page. I am not sure who is operating this.

27 MR. ROBERGE: No, page 73 or 74, I think. It would be  
28 the previous page.

1 MR. O'LEARY: It is back. There, that's it.

2 MR. ROBERGE: Okay. Yes.

3 MR. O'LEARY: All right. So Mr. Roberge, can you take  
4 us to the specific figures which total \$520,719?

5 MR. ROBERGE: It would be the sum of Section 2.1 with  
6 the Section 2.2, the 380,990 plus the 139,729.

7 MR. O'LEARY: All right. So just so we are clear,  
8 looking at the document itself, which is Hydro One's offer  
9 to connect, 2.1 deals with non-contestable subdivision  
10 secondary costs, correct?

11 MR. ROBERGE: 2.1? Yes.

12 MR. O'LEARY: All right. And the total cost,  
13 according to Hydro One's evidence, to undertake that work  
14 is how much?

15 MR. ROBERGE: \$380,990.

16 MR. O'LEARY: All right. And at 2.2 it refers to non-  
17 contestable subdivision primary costs, and Hydro One's  
18 evidence of these costs is how much?

19 MR. ROBERGE: \$139,729.

20 MR. O'LEARY: All right. And is the addition of those  
21 numbers the 520 figure?

22 MR. ROBERGE: Yes, it is.

23 MR. O'LEARY: Thank you.

24 In the next column we have in the next row item 5,  
25 contestable costs. For Horizon Utilities there is 258,000.  
26 Could you please tell me what those costs relate to and why  
27 that figure was included?

28 MR. ROBERGE: There is some fundamental differences

1 between the two offer to connects, where there is some work  
2 that Horizon considers non-contestable, as Hydro One  
3 considered it non-contestable. So Hydro One will provide  
4 all their transformers, the switches, their labour to  
5 install, but Horizon Utilities considers that contestable.

6 So we had to make an adjustment to include these costs  
7 into our numbers. So the 258,828 is a number to estimate  
8 the material and the labour.

9 MR. O'LEARY: All right. Is it fair to say that those  
10 contestable costs are included under Hydro One's  
11 uncontestable costs?

12 MR. ROBERGE: Yes, it would.

13 MR. O'LEARY: Okay. And that's why there is nothing  
14 under the Hydro One column, because it is already included  
15 in line 4.

16 MR. ROBERGE: Yes.

17 MR. O'LEARY: All right. And then line 6, contestable  
18 costs, the 538,900, I see the same figure exists under the  
19 column for both utilities. Why is that?

20 MR. ROBERGE: That's the cost that the contractor for  
21 Multi-Area is provided to Hydro One. It's in their  
22 evidence. And it is -- that cost is contestable costs that  
23 includes trenching -- all the civil work: Trenching,  
24 bases, packing of the cables. So it is described in one of  
25 the schedules in their offer to connect.

26 MR. O'LEARY: And to the best of your knowledge, is  
27 that an estimated cost or an actual cost?

28 MR. ROBERGE: It is -- it is an actual cost provided

1 to Hydro One.

2 MR. O'LEARY: And what was the source of that figure  
3 and that cost?

4 MR. ROBERGE: I would have to refer to Hydro One  
5 exactly, because it is in their evidence.

6 MR. O'LEARY: All right. The table indicates it  
7 appears at page 4 of 5 of their prefiled evidence dated  
8 January 14th. Is that the source?

9 MR. ROBERGE: Yes, yes.

10 MR. O'LEARY: All right. So we total up all of those  
11 costs and we see the comparison there. Is there anything  
12 that is missing? In other words, are there any other costs  
13 in response to the Panel's questions that need to be  
14 included, or does that represent the best estimate of the  
15 costs of the two utilities to service Summit Park phase 7?

16 MR. ROBERGE: That represents our best estimate.

17 MR. O'LEARY: All right. I see in line 9 it has  
18 incremental operating maintenance and administrative costs,  
19 and could you tell me what that is intended to depict?

20 MR. ROBERGE: That is the OM&A costs that both LDCs  
21 would have for the duration of 25 years. That is a number  
22 we use in the economic model to determine the costs to the  
23 LDC I guess to operate and maintain those new assets.

24 MR. O'LEARY: And is that a net present value number?

25 MR. ROBERGE: That is a net present value and it comes  
26 straight from the offer to connect.

27 MR. O'LEARY: All right. And so could we go to  
28 schedule F of the Hydro One offer to connect. "Basic



1 Discounted Cash Flow Calculation" is the title on that  
2 page. It's schedule F.

3 MR. ROBERGE: Going the other way.

4 MR. O'LEARY: The other way, yes.

5 MR. ROBERGE: You just passed it.

6 MR. O'LEARY: There it is. Great

7 MR. ROBERGE: Yes. That's the second-last line on  
8 this document.

9 MR. O'LEARY: So there are three boxes. The third  
10 box, "total cost of connection", where it reads "Total PV",  
11 for present value, I presume? Is that what "PV" stands  
12 for?

13 MR. ROBERGE: Yes, present value.

14 MR. O'LEARY: Of O&M. You see there is two columns.  
15 One, Hydro One does all the work, and the second is  
16 alternative bid, but since we're talking about the  
17 operations, maintenance and administration - in other  
18 words, looking after the new subdivision and related assets  
19 for 25 years - is it surprising that the numbers should be  
20 the same under both?

21 MR. ROBERGE: No, it is not surprising. It should be.

22 MR. O'LEARY: All right. So is that the source of  
23 your figure at item 9?

24 MR. ROBERGE: Yes.

25 MR. O'LEARY: Under the Hydro One?

26 MR. ROBERGE: Yes.

27 MR. O'LEARY: All right. So this is Hydro One's  
28 evidence as to their costs to maintain the system over the

1 next 25 years?

2 MR. ROBERGE: Yes, it is.

3 MR. O'LEARY: By comparison, where does the 506,043  
4 come from in your table?

5 MR. ROBERGE: It is from our schedule B, from our  
6 offer to connect.

7 MR. O'LEARY: All right. Was your offer to connect  
8 completed consistent with the Distribution System Code?

9 MR. ROBERGE: Yes, it is.

10 MR. O'LEARY: All right.

11 Just a few remaining questions, Madam Chair. I am  
12 going to ask Mr. Burman a couple of questions.

13 Hydro One has filed in their response to this  
14 application in January some several -- I think they will  
15 call them planning documents, but they're at appendix A and  
16 appendix B of their prefiled evidence, and there have been  
17 some interrogatory responses to the various parties in  
18 response to those.

19 Have you reviewed the -- I think it is call the  
20 distribution area study prepared by Hydro One?

21 MR. BURMAN: Yes, I have.

22 MR. O'LEARY: And another document entitled: Loop  
23 feed to Binbrook?

24 MR. BURMAN: Yes.

25 MR. O'LEARY: And related interrogatory responses?

26 MR. BURMAN: Yes.

27 MR. O'LEARY: All right. And you were responsible for  
28 a report that was filed in this proceeding dated November

1 27th, 2012, and you drew certain conclusions and ventured  
2 certain opinions and recommendations.

3 Based upon your review of Hydro One's evidence, does  
4 the Hydro One evidence in any way influence, change or  
5 impact your conclusions and opinions in your report?

6 MR. BURMAN: No.

7 MR. O'LEARY: All right. If I could just ask you a  
8 little more specifically, could you possibly -- and this is  
9 in respect to the evidence that you have examined of Hydro  
10 One's. Do you have any views, just general views, as to  
11 the -- of what you reviewed? How does it compare to  
12 planning documentation that you, as the former chief  
13 designated engineer for Hydro One, examined and its  
14 quality?

15 MR. BURMAN: I would suggest that the amount of effort  
16 done by Hydro One to clearly define needs and establish  
17 appropriate alternatives for mitigation and supporting  
18 analysis somewhat inadequate.

19 I would suggest that I would be looking for something  
20 a little bit more robust than that, given the dollar value  
21 of the initiative being considered.

22 There is nothing in Hydro One's area study to really  
23 support the need for extensive new construction of the line  
24 to the Summit supply area, and would in fact represent  
25 unnecessary duplication of assets.

26 MR. O'LEARY: Could I just stop you there? When you  
27 say "Summit supply area", what are you referring to?

28 MR. BURMAN: The Summit development, existing and

1 future.

2 MR. O'LEARY: Okay, thank you.

3 MR. BURMAN: Horizon already has abundant capacity  
4 within close proximity to those loads and are being --  
5 being served now or about to be served. So I think, in  
6 general, it is -- it reinforces my conclusions in that  
7 regard.

8 MR. O'LEARY: All right. And we have heard from  
9 several witnesses, Ms. Lerette primarily, that Hydro One  
10 had an existing 8.32 system running from east to west along  
11 the south side of Rymal Road that may have been around for  
12 a number of decades.

13 Do you have any views as to whether or not that is  
14 relevant or suggestions as to what would be the most  
15 efficient and rational means of dealing with that?

16 MR. BURMAN: If you run through the alternative of  
17 connecting to Hydro One -- or to Horizon's distribution  
18 facilities as an option, it would also afford the  
19 opportunity for Hydro One to retire what I would call  
20 outpost or islanded 8.32, 4.8 kV loads and would represent  
21 a good operating practice from that perspective.

22 It would establish a single voltage supply for the  
23 area, that being 27.6, 16 kV, and an improvement to the  
24 reliability of the remaining 8.32, 4.8 kV load south of the  
25 area under consideration.

26 So it basically clips the end of the 8.32, 4.8 kV  
27 system and provides greater reliability from that  
28 perspective.

1 MR. O'LEARY: When you say "clips the end of it", in  
2 lay terms, where would that happen?

3 MR. BURMAN: That would happen in the loads of the  
4 supply area under consideration.

5 MR. O'LEARY: And do you have a view about whether or  
6 not the 8.32 system along Rymal Road should continue?

7 MR. BURMAN: By virtue of the along Rymal Road?

8 MR. O'LEARY: Yes.

9 MR. BURMAN: There is an opportunity to actually, as I  
10 said before, convert those loads to 27.6, 16 and eliminate  
11 the need to maintain those on an ongoing basis.

12 MR. O'LEARY: Right. So what would happen with the  
13 existing 8.32 circuits of Hydro One along the south side?

14 MR. BURMAN: They would no longer be needed.

15 MR. O'LEARY: All right. From a system distribution,  
16 operations and planning perspective, is that something  
17 positive or negative?

18 MR. BURMAN: I would say a positive operational aspect  
19 to it of not having to deal with two separate voltages in  
20 the same area, and sustaining a 27.6, 16 supply in the  
21 area, so...

22 MR. O'LEARY: All right. So if a portion of the 8.32  
23 circuit was removed, are there any other benefits, having  
24 removed a portion of the circuit?

25 MR. BURMAN: I'm not sure I --

26 MR. O'LEARY: If you shortened the length of the 8.32  
27 circuit --

28 MR. BURMAN: Oh, it leads to a more sustainable 8.32,

1 4.8 kV system for the remainder of the supply area within  
2 Ontario -- within Hydro One's service territory.

3 MR. O'LEARY: All right.

4 MR. BURMAN: So south of the existing supply area that  
5 is under consideration here.

6 MR. O'LEARY: Thank you.

7 And when you reviewed the distribution area study, did  
8 you draw any conclusions as to its purpose and intent?

9 MR. BURMAN: I would think that, in my experience  
10 working with planning studies of like size and scope in the  
11 past, the best starting point would be to consider a more  
12 economic solution, which might have been to define a  
13 broader boundary for the study area that would include and  
14 incorporate Horizon's distribution network as a whole and  
15 looking at it from the best supply position possible within  
16 that combined study area. That would be my suggestion.

17 MR. O'LEARY: All right. And did the distribution  
18 area study focus on any particular required upgrade, one  
19 versus another, to any greater extent or less?

20 MR. BURMAN: The supply situation was somewhat  
21 confusing, in terms of what was driving the need for the  
22 study. The focus seemed to have been on transmission  
23 adequacy, and very little in the way of alternatives for  
24 distribution routes or alternatives for supplying of the  
25 loads in the area.

26 MR. O'LEARY: And when you refer to transmission, are  
27 you referring to the Nebo --

28 MR. BURMAN: Nebo TS, yes.

1 MR. O'LEARY: Hydro One has indicated in its evidence,  
2 both the -- well, in respect of Appendix B, which is the  
3 document entitled "Binbrook loop feed".

4 MR. BURMAN: Right.

5 MR. O'LEARY: And it indicates their intention to  
6 provide a loop feed to Binbrook. Do you have a view as to  
7 whether or not the circuit along Rymal Road East is  
8 necessary to provide a loop feed to Binbrook?

9 MR. BURMAN: I think there is several alternatives  
10 that have been overlooked, in terms of feeding the -- or  
11 providing a loop feed to the Binbrook area, certainly  
12 egressing south, and there are many shorter routes to be  
13 taken to supply that type of loop feed if it is absolutely  
14 necessary.

15 There is nothing in the documentation that I am aware  
16 of and have reviewed that would suggest that a loop feed is  
17 even well-justified at this point. The only reason for  
18 extending the feed along Rymal Road to create the loop feed  
19 would be to pick up this additional load in the Phase 7  
20 area, so...

21 MR. O'LEARY: All right. And it appears that it is  
22 going to be an issue between the two utilities, whether or  
23 not Hydro One should be including any of the costs of this  
24 new 27.6 circuit that it is building from the Nebo  
25 transformer station over to Phase 7 of the Summit Park.  
26 Horizon Utilities has taken one position and Hydro One has  
27 taken another.

28 Under the Distribution System Code there is a

1 difference between expansion work and enhancement work.

2 Are you familiar with that?

3 MR. BURMAN: Yes.

4 MR. O'LEARY: All right. Can you provide your opinion  
5 as to what would you call the work or how would you --  
6 which camp would you put the work that Hydro One is  
7 proposing to do in respect to the new circuit along Rymal  
8 Road? Is it enhancement or expansion?

9 MR. BURMAN: I would call it expansion work. The  
10 criteria laid out in the Distribution System Code supports  
11 it in about five different areas, so that is what I would  
12 qualify it as.

13 MR. O'LEARY: Madam Chair, I think that is our  
14 evidence in-chief. Sorry for taking so long.

15 MS. CONBOY: Thank you.

16 Mr. Engelberg, we were thinking about breaking around  
17 one o'clock for lunch. I don't know how you have  
18 structured your cross, and I see Mr. Shepherd going for his  
19 button as well.

20 So maybe the assumption that Hydro One is going first  
21 is not the right one. So I am just wondering if there is  
22 an order in which we could do cross that we could get some  
23 cross in before lunch.

24 MR. SHEPHERD: Madam Chair, counsel have discussed the  
25 order, and because the School Energy Coalition is generally  
26 in support of Horizon's position on part I, it was felt  
27 appropriate that we go first, and I understand Mr. Stoll is  
28 going to go second. And I am only going to be five



1 minutes.

2 MS. CONBOY: Thank you.

3 MR. ENGELBERG: That is acceptable to Hydro One, Madam  
4 Chair. They both discussed it with me since they are  
5 supporting the Horizon application.

6 MS. CONBOY: That makes sense.

7 MR. STOLL: I should only be probably five or ten  
8 minutes as well.

9 MS. CONBOY: Okay. Great. So have you got cross for  
10 this panel at this time, Mr. Stephenson?

11 MR. STEPHENSON: I likely will, but I would be -- I  
12 would be assuming I would be going after Mr. Engelberg --

13 MS. CONBOY: Okay.

14 MR. STEPHENSON: -- and it may be that there is very  
15 little, if anything, to cover after that.

16 MS. CONBOY: Okay. And Mr. Malcolmson?

17 MR. MALCOLMSON: Just based on what I heard, I may  
18 have one question, more in the nature of clarification.

19 MS. CONBOY: Okay. So why don't we start with either  
20 Mr. Stoll or Mr. Shepherd. Mr. Shepherd, and then Mr.  
21 Stoll, and then Mr. Malcolmson, we will get to you, and  
22 that should take us to lunch, and then we will start with  
23 the next phase of cross.

24 **CROSS-EXAMINATION BY MR. SHEPHERD:**

25 MR. SHEPHERD: Thank you, Madam Chair.

26 I just have two questions. The first is, with respect  
27 to part I in the application, Summit Park, Phase 7, am I  
28 right to understand there is provision for two schools in

1 that area?

2 MS. BUTANY-DeSOUZA: Yes, that's correct.

3 MR. SHEPHERD: And what is the status of those  
4 schools? Have you had any discussions about when they will  
5 be built and how big they will be? They're both elementary  
6 schools, I understand.

7 MS. LERETTE: Yes, we don't have any -- we haven't  
8 seen any site plans or have any details on those schools of  
9 yet.

10 MR. SHEPHERD: But the land is still set aside for  
11 them.

12 MS. LERETTE: Yes, it is.

13 MR. SHEPHERD: Still following along on that -- and I  
14 am looking at the Rymal Road secondary plan, which was one  
15 of your maps, and there is school reserves in the area to  
16 the -- which way am I going -- west of Summit Park, Phase  
17 7, near what I see on this map is the Smart Centres?

18 MS. LERETTE: Yes. East.

19 MR. SHEPHERD: Is that current -- that is east. Okay.  
20 It's just, it is upside-down. Is that currently in the  
21 Hydro One service area or in the Horizon area?

22 MS. LERETTE: Currently in Hydro One's.

23 MR. SHEPHERD: And that's -- is that part V of your  
24 application?

25 MS. BUTANY-DeSOUZA: Yes, that's correct.

26 MS. LERETTE: Yes, it is.

27 MR. SHEPHERD: Okay. I will get to that then.

28 And then the last question is, I am trying to

1 understand the difference between the developer's position  
2 with respect to connection and an end user's position. When  
3 an end user like a school looks at who their preferred  
4 supplier is, can you correct me if I'm wrong? It is true,  
5 isn't it, that the end user has to consider what their  
6 ongoing life-cycle cost is going to be of being connected  
7 to that supplier, right?

8 MS. LERETTE: That's correct.

9 MR. SHEPHERD: But when a developer does that, makes  
10 the decision who to connect with, they don't have to  
11 consider anything after they sell the house, right?

12 MS. LERETTE: That's correct.

13 MR. SHEPHERD: And so if there is an ongoing  
14 incremental cost to the homeowner, that's not a concern for  
15 the developer, right?

16 MS. LERETTE: No, it's not.

17 MR. SHEPHERD: Okay. I have no other questions.  
18 Thanks.

19 MS. CONBOY: Thank you. I see that our idea of going  
20 part by part is not going to work, so.

21 [Laughter]

22 MS. CONBOY: Go ahead. It sounded great in theory,  
23 but I see that it is going to be difficult to proceed that  
24 way. So please go ahead.

25 MR. STOLL: Well, maybe I will try and give you a  
26 little bit of good news. I think my questions will  
27 probably be just for this part, and I don't know that I  
28 will have to come and ask any more questions on any of the

1 actual focused elements.

2 MS. CONBOY: Thank you. I am just conceding that we  
3 are not going to proceed the way the Panel had hoped.

4 MR. STOLL: Okay.

5 **CROSS-EXAMINATION BY MR. STOLL:**

6 MR. STOLL: These are just a couple questions. When a  
7 utility is approached -- I'm sorry, I can't see most of the  
8 panel, but there is a real person back here behind the  
9 curtain.

10 When a customer or potential customer approaches the  
11 utility and it is a commercial customer, who determines or  
12 whose option is it regarding transformer ownership?

13 MS. LERETTE: We would provide transformation up to  
14 1,500 kVA, so typically if it is within that range we would  
15 -- Horizon would supply the transformer. Above 1,500 it  
16 would have to be a customer-owned transformer.

17 MR. STOLL: Okay. And I had two other questions.

18 With respect to the economic connection test, is that  
19 test still performed even if the customer lies along a  
20 line?

21 MS. LERETTE: If there is a lie-along customer where  
22 there is no requirement for transformation or extension of  
23 the primary distribution system, we would not do an  
24 economic evaluation, but when we have to extend the  
25 primary, for example, a primary dip to the school or into a  
26 subdivision, we do an economic evaluation.

27 MR. STOLL: Okay. All right. And just one other.

28 Does Horizon participate in any sort of regional

1 planning with Hydro One in respect of either this area or  
2 other areas?

3 MS. LERETTE: We do meet Hydro One at least annually  
4 to talk about planning issues, mostly around the  
5 transformer stations where we share feeders out of the  
6 stations. We talk about the long -- the short-term  
7 planning issues.

8 MR. STOLL: Okay. Those are the questions I have.

9 MS. CONBOY: Thank you very much.

10 Mr. Malcolmson?

11 **CROSS-EXAMINATION BY MR. MALCOLMSON:**

12 MR. MALCOLMSON: Thank you. We had a discussion  
13 earlier about the Hydro One offer to connect as written,  
14 and I think you had schedule F to the offer up on the  
15 screen.

16 You would agree with me that the total cost to connect  
17 under that Hydro One offer to connect was \$1.42 million and  
18 change?

19 MR. ROBERGE: Could we see that evidence to make sure  
20 I am answering your question?

21 MR. MALCOLMSON: I'm sorry, I don't have the exact  
22 reference. It was entitled schedule F, economic evaluation  
23 results to the Hydro One offer to connect.

24 MR. ROBERGE: Okay. I am at -- so what was the --

25 MR. MALCOLMSON: The number at the bottom of the page,  
26 the cost to connect I think was 1,420,576.44; is that  
27 right?

28 MR. ROBERGE: That is what it appears to be, yes. It

1 is Hydro One's document, but that is how I read it, also.

2 MR. O'LEARY: All right. Then if I could take you to  
3 tab 1 of the document brief you submitted this morning?

4 MR. ROBERGE: Yes.

5 MR. MALCOLMSON: Which is the Summit Park 7 comparison  
6 of costs.

7 The total amount for the offer to connect under the  
8 Horizon Utilities column is 1,595,689?

9 MR. ROBERGE: Yes.

10 MR. MALCOLMSON: So that is your estimated cost of  
11 connection on an apples-to-apples basis?

12 MR. ROBERGE: Yes.

13 MR. MALCOLMSON: So the difference between the two  
14 offers to connect -- understanding you have some issues  
15 with Hydro One's inputs, the difference between the two as  
16 written is \$175,000, if I do the math?

17 MR. ROBERGE: 175? Where did you get...

18 MR. MALCOLMSON: I just --

19 MR. ROBERGE: Is it line 7 or line 10 that you are  
20 calculating from?

21 MR. MALCOLMSON: Line 10.

22 MR. ROBERGE: So that's more than 175.

23 MR. MALCOLMSON: But the difference is the 1.59 versus  
24 the 1.42. That is the gap we're talking about?

25 MR. ROBERGE: It doesn't look like we're looking at  
26 the same evidence. Tab 1 has different numbers.

27 MR. MALCOLMSON: I am looking at your brief, tab 1,  
28 Summit Park comparison of costs to serve.

1 MR. ROBERGE: I am using Exhibit K1.2, and I think you  
2 are looking at something else.

3 MR. MALCOLMSON: I don't think so. I am looking at  
4 your document. Hopefully I am looking at the right number,  
5 but it is tab 1...

6 MS. BUTANY-DeSOUZA: Would you reiterate the numbers  
7 that you just provided, please?

8 MR. MALCOLMSON: I am looking at the document entitled  
9 "Summit Park Comparison of Costs to Serve Updated".

10 MS. BUTANY-DeSOUZA: Yes.

11 MR. MALCOLMSON: Then there are ten lines, the bottom  
12 line under the "Horizon" column, column number 10.

13 MS. BUTANY-DeSOUZA: Yes.

14 MR. ROBERGE: Yes.

15 MR. MALCOLMSON: It shows me a number of 1,595,689.

16 MR. ROBERGE: Yes.

17 MR. MALCOLMSON: So that is your estimated cost of  
18 connection --

19 MR. ROBERGE: Yes.

20 MR. MALCOLMSON: -- based on these input; is that  
21 correct?

22 MS. BUTANY-DeSOUZA: Right, but with one addition,  
23 that we have added back in the contestable costs at line 5  
24 in order to make it an apples-to-apples comparison.

25 MR. MALCOLMSON: I understand that, I understand that.

26 MS. BUTANY-DeSOUZA: So you take that away, and the  
27 difference of 175 that you are asserting doesn't exist.

28 MR. MALCOLMSON: Is the million. I understand that.

1 But if you compare apples to apples, that is the  
2 differential, 1.42 versus 1.595?

3 MS. BUTANY-DeSOUZA: No. What I'm suggesting, sir, is  
4 that that's not the apples-to-apples comparison.

5 MR. MALCOLMSON: Because?

6 MS. BUTANY-DeSOUZA: Because in order to make it the  
7 apples-to-apples comparison, you'd have to then take away  
8 the 258 -- line 5, excuse me.

9 MR. MALCOLMSON: Okay. Okay, I understand.

10 MS. BUTANY-DeSOUZA: Okay.

11 MR. MALCOLMSON: Thank you.

12 MS. BUTANY-DeSOUZA: Thank you.

13 MS. CONBOY: Mr. Lanni, have you -- has Board Staff  
14 got any cross, and, if so, what is your estimated time is?

15 **CROSS-EXAMINATION BY MR. LANNI:**

16 MR. LANNI: I just have one question. In fact, it is  
17 just a clarification.

18 I think we heard this morning that there have been  
19 seven or eight service area amendment applications relating  
20 to the Summit Park development and that they were all  
21 either contested -- sorry, all either consented to or not  
22 contested, and -- is that what I heard? I'm sorry, I don't  
23 have --

24 MS. BUTANY-DeSOUZA: Yes, that's correct.

25 MR. LANNI: In fact, for the benefit of the Panel --

26 MS. BUTANY-DeSOUZA: Nine, in fact.

27 MS. CONBOY: Consented and not contested is the same  
28 thing, so I don't know the difference that you are --



1 MR. LANNI: If I could take the panel to tab 5 of  
2 Exhibit K1.2, which is Horizon's compendium filed this  
3 morning?

4 I believe at this tab, EB-2004-0536, this is the first  
5 of the Summit Park Multi-Area decisions, and if I could  
6 turn to page 4, I will just read two lines. So the parties  
7 before you may have characterized the applications as not  
8 contested or consented to, but the Board in that decision  
9 found that:

10 "The proposal as filed is not a 'consent'  
11 application. Despite its words to the contrary,  
12 Hydro One has, in fact, contested the applicant's  
13 proposal."

14 I just wanted to raise that to your attention.

15 MS. CONBOY: Thank you. Is that everything?

16 MR. LANNI: Those are all of my questions.

17 MS. CONBOY: Thank you. Sorry, Mr. O'Leary?

18 MR. O'LEARY: I am just wondering. You were expecting  
19 a response, Mr. Lanni?

20 MR. LANNI: Just a confirmation, but... Sorry, it was  
21 simply a clarification. If you feel a need to confirm that  
22 I read the appropriate words in the decision, that's fine.

23 MR. O'LEARY: I didn't deliberately go here, because I  
24 thought the Panel didn't want us to go into these things,  
25 but it clearly states that Hydro One agreed not to contest  
26 the application. That is what the decision states. So it  
27 was a factual matter.

28 I don't know what is at issue here.

1 MS. CONBOY: Thank you. Unless, Mr. Stephenson, you  
2 think you are going to be done in five minutes, we are  
3 going to -- we're going to break for lunch. Is that a good  
4 time to break? Okay.

5 So we will break. It is five to. We will break till  
6 2 o'clock on the button, please. Thank you very much.

7 --- Luncheon recess taken at 12:59 p.m.

8 --- On resuming at 2:13 p.m.

9 MS. CONBOY: Thank you. Please be seated.

10 So I understand everybody got an e-mail at lunch that  
11 might have thrown you for a loop. We are cognizant of the  
12 fact that people are from out of town. There are some  
13 people that have made arrangements to spend the night in  
14 Toronto in case of the weather, other people who have not.

15 So one of the proposals that we have, which is going  
16 to require a little more dexterity on people's part, is  
17 that now that we have the Horizon panel empanelled and  
18 under oath, we may just -- I'm sorry, Mr. O'Leary, we were  
19 under the impression you were finished with your  
20 examination in-chief, but now I understand that is not the  
21 case. Is that...

22 MR. O'LEARY: I had deliberately not gone into the  
23 specifics of part II, III, IV, and V, thinking that that  
24 was what your preference was.

25 MS. CONBOY: Well, it was, but also I thought your  
26 time estimate was an hour -- was a half an hour to an hour  
27 in examination in-chief, and we went quite a bit over that.

28 MR. O'LEARY: I don't think my chief will be much

1 longer. It is fairly short, but...

2 MS. CONBOY: Okay. So here is what we propose. We  
3 are going to continue with this panel, and realize that the  
4 idea of going part by part, while it was a good one in  
5 theory, is not actually going to -- is going to work. So  
6 if you have a bit more examination in-chief on the other  
7 parts, we will go ahead with that.

8 We will then, I understand -- parties who have already  
9 cross-examined, were doing so on the basis of just a high  
10 level in part I, we will allow you to cross-examine on the  
11 other areas, part II to V. So do all of your cross-  
12 examination of the Horizon witnesses. And then, Mr.  
13 Engelberg, you can go at the end and do your cross-  
14 examination as you had originally planned it.

15 I also understand that Horizon has a time limit.  
16 Somebody has to leave at five o'clock. That will be  
17 incentive for people to move things along. If we get past  
18 five o'clock, we will have to figure out what to do.

19 And then the idea is to sit again on the 14th, which  
20 is next Thursday, at which point we will have Hydro One  
21 introduce their witnesses, examination in-chief, and we  
22 will go through the cross-examination at that point.

23 Mr. Shepherd, that will give you the opportunity, I  
24 hope, to work with your other commitments on the 14th, if  
25 you have cross-examination.

26 MR. SHEPHERD: Yes. I have a difficulty with the  
27 14th. I am not sure I can be here, and that is a problem.

28 MS. CONBOY: Okay. Well --

1 MR. O'LEARY: Madam Chair, we also have a difficulty.  
2 My boss, the person who provides me with instructions, is  
3 unavailable Thursday morning. And it is something that  
4 can't be changed.

5 MS. CONBOY: Okay. Well, let's proceed with this  
6 panel. We will have to figure out what we do about times.  
7 You know, we're all trying to accommodate each other.  
8 We've done what we can to expedite this hearing at your  
9 request.

10 So let's see where we are at the end of the day, but,  
11 quite frankly, if there is going to be 35 centimetres of  
12 snow falling up around the city, I think it is reasonable  
13 to assume it is going to be difficult for some people to  
14 get in.

15 So if you could please take a brief amount of time,  
16 Mr. O'Leary, to take your panel through examination in-  
17 chief and parts II to V, and then we will start with cross-  
18 examination. Thank you.

19 **CONTINUED EXAMINATION-IN-CHIEF BY MR. O'LEARY:**

20 MR. O'LEARY: Thank you.

21 So I am turning to part II. And could I ask you, Ms.  
22 Butany-DeSouza, to please turn to the Horizon evidence.  
23 And this would be filed under part II, attachments 2. It  
24 is a document found at page 26 of 29.

25 MS. BUTANY-DeSOUZA: I have it.

26 MR. O'LEARY: All right. This is an e-mail from Rob  
27 Davidson at Hydro One to Richard Bassindale, copied to  
28 Tammy O'Sullivan.

1 Can you give us a little bit of the history about this  
2 e-mail and what -- and its relevance here?

3 MS. CONBOY: Can you -- we don't have pagination on  
4 ours. So maybe you could give us a hand pointing us to  
5 where we are.

6 MR. O'LEARY: Oh, I'm sorry. It is under  
7 "attachments".

8 MS. CONBOY: Yes.

9 MR. O'LEARY: So part II, and --

10 MS. CONBOY: What you handed out this morning, or of  
11 your --

12 MR. O'LEARY: No, no, it is in the pre-filed.

13 MR. ELSAYED: What page?

14 MR. O'LEARY: Yes, it is page 26 of 29. It is  
15 attachment 4.

16 MR. ELSAYED: Thank you.

17 MS. SPOEL: Mr. O'Leary, my page 26 of 29 appears to  
18 be a letter, third page of a letter. It starts off by  
19 saying "why are you contacting me". Is that a different  
20 page 26 of 29?

21 MR. O'LEARY: It should -- the heading I have -- this  
22 is the redacted version, not that this particular page is  
23 redacted, but the heading should say "part II, attachment  
24 4, e-mail from Hydro One", and the upper right-hand corner  
25 it indicates it was filed as part of the October 24th  
26 filing, page 26 of 29, redacted.

27 MS. SPOEL: Well, my page 29 redacted appears to be a  
28 third page of a letter from Eileen Campbell, vice-president

1 of customer services, but maybe I am looking in the wrong  
2 document. Thank you.

3 MR. O'LEARY: Do you have it now?

4 MS. SPOEL: Yes, I do. I don't know why I have two  
5 page 26 of 29, but anyway, fine.

6 MR. O'LEARY: Just to give context, we are dealing  
7 here with the three homes on Fletcher Road, correct?

8 MS. BUTANY-DeSOUZA: Yes, that's correct.

9 MR. O'LEARY: All right. Thank you. Could you please  
10 give us a little bit of the history and what is the  
11 relevance of this e-mail?

12 MS. BUTANY-DeSOUZA: Sure. Happy to do so. In order  
13 to do so, though, I probably need to take you back one page  
14 in that same section of the application to page 25 of 29,  
15 which is attachment 3. Attachment 3 references the minutes  
16 of a meeting between Multi-Area Developments represented by  
17 Steve Spicer; RTG, which were the consultants; and Horizon  
18 Utilities, represented by director of regulatory, Jamie  
19 Gribbon, and Daniel Roberge, who is here on this panel with  
20 me today.

21 During that meeting Mr. Spicer indicated that due to  
22 timing Multi-Area was signing with Hydro One, though  
23 Horizon Utilities was their first choice, but also in that  
24 meeting continued on to offer that Multi-Area had a new  
25 request for another service-area amendment application to  
26 be made by Horizon Utilities in order for Horizon Utilities  
27 to take the residential customers located at 70 Fletcher  
28 Road, 80 Fletcher Road, and 134 Fletcher Road in Hamilton,

1 which constitute part II of this application.

2       So the minutes of that meeting indicate that because  
3 of the requirement by the City of Hamilton for Multi-Area  
4 to clean up the streetscape along Fletcher Road and bring  
5 down or demolish the old overhead line that currently  
6 exists there, that the developer, Multi-Area, was committed  
7 to paying the costs of the overhead to underground  
8 conversion, and that Hydro One had apparently agreed to not  
9 contest the transfer. And so Jamie Gribbon, the director  
10 of regulatory, had committed in that conversation to  
11 contacting Tammy O'Sullivan.

12       The attachment 4 that you have referenced that is on  
13 page 26 of part II of this application is the e-mail from  
14 Hydro One, Rob Davidson, as the e-mail indicates, to  
15 Richard Bassindale, who is also a part of our operations  
16 group and reports in to Ms. Lerette's business unit,  
17 indicating that Hydro One would like to move quickly --  
18 bold capital letters in this e-mail -- ASAP, as soon as  
19 possible, with Horizon regarding the taking over of the  
20 three customers on Fletcher Road, and those are the  
21 customers that I have just previously indicated at 70, 80,  
22 and 134 Fletcher Road.

23       And they were looking for the speediest way forward,  
24 and have indicated in this e-mail that perhaps our people  
25 can talk directly, and that they should provide Tammy  
26 O'Sullivan with the contact person, perhaps Jamie Gribbon,  
27 who is the director of regulatory.

28       MR. O'LEARY: All right. And subsequent to that

1 letter what transpired?

2 MS. BUTANY-DeSOUZA: Subsequently, Horizon Utilities  
3 put together the amendments to this application that were  
4 filed on October 24th and added part II of the application,  
5 which is for the service area amendment to transfer these  
6 three residential customers. However, just prior to filing  
7 on October 24th, by way of phone call Mr. Gribbon had  
8 contacted Ms. O'Sullivan and, I understand from Mr.  
9 Gribbon, had said that we were going to file this part of  
10 the application or this amendment to the application as  
11 uncontested, at which time Ms. O'Sullivan indicated the  
12 rescission of that transfer by Hydro One, or lack of  
13 support.

14 MR. O'LEARY: All right. Has Hydro One ever given  
15 Horizon Utilities a reason for this oral rescission?

16 MS. BUTANY-DeSOUZA: Not specifically, except that I  
17 can interpret that -- because they are contesting the  
18 application, in general.

19 MR. O'LEARY: Ms. Lurette, we went briefly to the  
20 assets which are in the ground. Can you briefly summarize  
21 what would be required to provide service to these three  
22 homes?

23 MS. LERETTE: So very little is required to service  
24 these three lots. We have installed high voltage cable,  
25 secondary cable and transformers along the west side of  
26 Fletcher Road. So the cables abut each one of these lots  
27 and it is quite easy to service these lots.

28 However, there is some streetscaping that is required



1 along Fletcher Road, and the developer has agreed with the  
2 City of Hamilton that they would be responsible for paying  
3 all costs to convert the existing three customers from  
4 overhead to underground.

5 MR. O'LEARY: And by comparison, what work would be  
6 required by Hydro One to continue to provide service to  
7 these houses?

8 MS. LERETTE: So due to the streetscaping  
9 requirements, these houses have to be serviced underground.  
10 Currently, Hydro One has no transformation available  
11 and they are on the opposite side of the road.

12 So they would require at least two transformers and a  
13 few road cuts or road bores to get across the road to  
14 service these customers.

15 MR. O'LEARY: All right. Thank you. And in terms of  
16 the customers themselves, if Horizon Utilities provides  
17 service, will the customers be asked to pay for any portion  
18 of the costs of the connection?

19 MS. LERETTE: No, the customers will not be  
20 responsible for any costs.

21 MR. O'LEARY: And, Ms. Butany-DeSouza, in respect of  
22 the involvement of the customers and their knowledge of  
23 this part of the application, can you please summarize the  
24 steps taken by Horizon and any responses by the customers?

25 MS. BUTANY-DeSOUZA: Sure. As part of the filing that  
26 we made on October 24th, 2012, we included in part II of  
27 the application attachment 5, which is the letter to the  
28 affected customers, which details the issue at hand. And

1 that is page 27 of 29 in your binder of the redacted  
2 version of the application.

3 So we sent a first letter to the customers advising  
4 them, and then subsequently, following the procedural order  
5 and notice of application, as directed by the Board,  
6 Horizon Utilities also communicated again to customers on  
7 November 23rd by way of letter sent by courier to the  
8 customers that were affected or impacted by this part of  
9 the application.

10 MR. O'LEARY: Indeed, just for the record, the letter  
11 you -- the latter record of November 23rd appears at tab 13  
12 of Exhibit K1.2, which was filed today?

13 MS. BUTANY-DeSOUZA: One second. Yes, that's correct.

14 MR. O'LEARY: And in respect -- I will deal with both  
15 parts II and III at the same time, because they're all  
16 customers.

17 I am just wondering, Ms. Butany-DeSouza, could you  
18 just briefly walk us through the letter that Horizon sent  
19 and summarize the information that was provided to the home  
20 owners, the customers? You can use the --

21 MS. CONBOY: I think we have read the letter.

22 MR. O'LEARY: Oh, okay, great. Then moving on to part  
23 III, Butany-DeSouza, could you please advise the Board what  
24 was Horizon's logic and reasoning behind bringing part III  
25 of this service area amendment proceeding?

26 MS. BUTANY-DeSOUZA: When Hydro One advised -- or by  
27 way of the meeting that I have previously referenced, and  
28 the minutes for which are attachment 3 in part II of

1 application, when we understood and had the subsequent e-  
2 mail from Hydro One that they wanted to move quickly to  
3 clean up the legacy outpost customers located on Fletcher  
4 Road as we were filing application or update to the  
5 application for part II and part IV, which is the school  
6 and vacant land on -- which is part IV on the corner of  
7 Trinity Church and Rymal, we recognized that there were  
8 existing legacy outposts customers also on Rymal Road.

9 And given our knowledge of where our distribution  
10 assets were and the contiguous nature of our distribution  
11 assets in order to serve the parts of the application that  
12 we have already been discussing, it seemed appropriate to  
13 clean up the legacy outposts, as well, at the same time,  
14 and that was the reason for filing part III of the  
15 application.

16 We were literally along the doorsteps and able to  
17 leverage existing distribution assets to serve those  
18 customers.

19 MR. O'LEARY: All right. And was the same package of  
20 information sent to the part III customers as you sent to  
21 the part II customers?

22 MS. BUTANY-DeSOUZA: Yes, that's correct.

23 MR. O'LEARY: Exactly as you have said?

24 MS. BUTANY-DeSOUZA: Yes.

25 MR. O'LEARY: Yes, all right.

26 Have you received any negative responses or positive  
27 responses from any of the part II or part III customers?

28 MS. BUTANY-DeSOUZA: We have received no negative

1 responses by -- from any of the customers in question for  
2 parts II or part III.

3 Generally speaking, we hear when people don't like  
4 what we're doing. But for part II, specifically, we have  
5 heard from the customer at 80 Fletcher Road and 134  
6 Fletcher Road, and we did file that as an interrogatory  
7 response to Board Staff 11(c), and itemized as numbers 1  
8 and 2, that we had heard positive responses from those  
9 customers.

10 MR. O'LEARY: All right. I understand from Horizon  
11 Utilities' evidence at part III that it is indicating a  
12 cost to provide connection to the ten customers which make  
13 up part III of the service area amendment application, and  
14 the estimated cost is \$123,000?

15 MS. LERETTE: That's correct.

16 MR. O'LEARY: All right. Can you briefly tell us what  
17 is the work that is required to provide those customers  
18 connection and what leads to a cost of \$123,000?

19 MS. LERETTE: Sure. The estimate of \$123,000 was for  
20 actually the 12 customers, I think, on Rymal Road, and it  
21 was estimated in the context of the future road widening  
22 and replacing the existing 4 kV transformers currently  
23 owned by Hydro One, upgrading the assets to be able to  
24 upgrade these transformers to 27.6 to feed off our 27.6  
25 distribution line. So high voltage crossings, new  
26 transformers, new poles and the time required to flip these  
27 customers over without a huge outage.

28 MR. O'LEARY: Right. These are the customers that are

1 currently served by Hydro One on an 8.32 kV circuit?

2 MS. LERETTE: That's right.

3 MR. O'LEARY: And if the proposed Rymal Road circuit  
4 27.6 is installed and these customers are attached to it,  
5 will the work that Hydro One has to undertake to connect  
6 them be different than yours?

7 MS. LERETTE: It would be very similar to the work  
8 that we have.

9 MR. O'LEARY: All right. And Hydro One was asked in  
10 Interrogatory No. 53 by Horizon for -- if I could ask you  
11 to go to that, and you, Madam Chair and members of the  
12 Panel, it is Interrogatory 53, the response by Hydro One.

13 In that was a request that Hydro One provide a map or  
14 plan depicting the route that Hydro One proposes to take to  
15 provide services to these customers, and the details of  
16 equipment, wires, transformers that would be installed to  
17 connect to the new proposed 27.6 Rymal Road East circuit, a  
18 breakdown of the cost to undertake all of the work  
19 contemplated, and who would be responsible to pay for these  
20 costs.

21 And the response is set out below, and perhaps I could  
22 ask you to review it, Ms. Lurette, and offer your comments  
23 in respect of the work and the amounts or the costs that  
24 Hydro One has included in their response.

25 MS. LERETTE: Sure. Under the answer in section (b),  
26 Hydro One states the estimated cost for material and  
27 installation of the items in part (a), which are the 15  
28 transformers and 15 arresters, is \$20,030.

1           So it appears to me they have just provided the cost  
2 of a transformer, only. My estimation of 15 transformers  
3 for material, only, comes out to about \$27,000 for material  
4 only, no labour, no ancillary equipment, hardware. All of  
5 the other things that need to be installed, any pole  
6 upgrades that need to happen are not included.

7           So I was surprised to see such a low number here if  
8 that's -- their costs was going to be \$20,000.

9           There is a considerable amount of work to upgrade the  
10 substandard-type poles when you upgrade to 27.6. So there  
11 is more than just 15 new transformers.

12           MR. O'LEARY: All right. Thank you.

13           In response to Interrogatory 53(c), where Horizon  
14 asked Hydro One who would be responsible to pay for these  
15 costs, Hydro One's response says "please refer to Hydro One  
16 Interrogatory response 62".

17           And at that response Hydro One states in part -- it  
18 refers to this work as being an enhancement project that  
19 has been planned for some time, is required to be built  
20 regardless of this application. None of its costs are  
21 attributable to Summit Park 7 or the new school.

22           The fact that we have been referred to that  
23 interrogatory, does that give you any indication of whether  
24 the fully loaded costs to connect part III have been  
25 included in Hydro One's estimates?

26           MS. LERETTE: I would say the fully loaded costs are  
27 not included, because they have included the cost in the  
28 work that they're doing as part of the M5 feeder

1 installation. So I would say that \$20,000 is not a  
2 realistic figure and not a fully-loaded cost at all.

3 MR. O'LEARY: Thank you.

4 Then moving on to part IV --

5 MR. ELSAYED: Just a clarification. I heard reference  
6 to ten customers and 12 customers in part II. Which one is  
7 the correct one?

8 MS. LERETTE: I think ours is 12. Let me just check.

9 MR. O'LEARY: I could perhaps ask a question. Are  
10 there any vacant lands which are part of the part III  
11 application?

12 MS. BUTANY-DeSOUZA: Yes.

13 MS. LERETTE: Yes, there are. How many? Two?

14 MS. BUTANY-DeSOUZA: Two vacant lands.

15 MR. O'LEARY: I don't think there is any dispute on  
16 this point. There are currently ten existing customers,  
17 and then there is two vacant lands for which there is no  
18 customer.

19 And just so we're clear, Ms. Lerette, your cost  
20 estimate was to provide service to all 12 lots?

21 MS. LERETTE: Yes, for the existing customers.

22 MR. O'LEARY: What about the vacant properties?

23 MS. LERETTE: Well, we wouldn't service -- there is no  
24 service there now. We would not service them, but we would  
25 have assets there to do so.

26 MR. O'LEARY: Thank you.

27 MR. ELSAYED: So the estimate is for the ten  
28 customers?

1 MS. LERETTE: Yes.

2 MR. ELSAYED: Okay. Thank you.

3 MR. O'LEARY: If I could then ask Mr. Roberge to turn  
4 to the document we filed this morning, Exhibit K1.2, the  
5 very last tab, tab 15.

6 MR. ROBERGE: Yes.

7 MR. O'LEARY: And I described it earlier this morning  
8 as being the discounted cash flow or economic analysis that  
9 Horizon undertook in respect of the new Bishop Ryan  
10 Catholic high school that is under construction as part of  
11 part IV. And I explained that this included some different  
12 load figures.

13 Could you just summarize why different load figures  
14 were used in this in comparison to your earlier offer to  
15 connect?

16 MR. ROBERGE: We had additional evidence that came  
17 from -- actually, it was something that I -- it came from  
18 Hydro One in something called an NCCI, which is a new  
19 customer connection -- I don't remember what the "I" stands  
20 for, but it indicates what load is forecasted by the  
21 customer for a period of five years.

22 So using this information, we averaged a load for  
23 every year and came up with the figures that you see after  
24 tab 15.

25 MR. O'LEARY: All right. So if we go to that first  
26 page specifically, have the numbers changed in respect of  
27 the school board? In other words, is it now being asked to  
28 pay a capital contribution to the project?



1 MR. ROBERGE: No. There is no contribution.

2 MR. O'LEARY: All right. And has the expansion  
3 deposit that has been asked of it, has that changed at all?

4 MR. ROBERGE: No, the expansion deposit is the same  
5 amount because the capital cost is the same.

6 MR. O'LEARY: All right. And have you seen from Hydro  
7 One an equivalent economic evaluation in respect of part  
8 IV?

9 MR. ROBERGE: No, I did not. What I saw was -- again,  
10 Hydro One treats it as a new connection, and they don't do  
11 an economic evaluation.

12 MR. O'LEARY: And Ms. Butany-DeSouza or Ms. Lerette, I  
13 understand that this school which is currently under  
14 construction has in fact been connected to Horizon's  
15 system?

16 MS. LERETTE: Yes. The temporary service for the  
17 school is connected to Horizon's 27.6 line.

18 MR. O'LEARY: Could you please explain how that  
19 happened, if it is in Hydro One's service territory?

20 MS. LERETTE: The school's consultant called Horizon  
21 for a temporary service and to discuss the permanent  
22 service to the school, and he assumed that it was in  
23 Horizon's service territory because it was surrounded on  
24 all sides by Horizon.

25 Our technician actually reviewed the assets on our GIS  
26 system, and he also was under the same impression that it  
27 was in Horizon territory because of the assets surrounding.

28 So we gave the customer an estimate for a temporary

1 three-phase service for the building of the school, which  
2 they paid for, and the service was connected.

3 At the same time we gave the school an offer to  
4 connect for the permanent connection to the service, for  
5 the school. But shortly after we provided this information  
6 we discovered that it was actually in Hydro One's service  
7 territory. It was brought to our attention. And we  
8 notified Hydro One that there was an error made and asked  
9 their permission if we could keep the temporary service  
10 connected. The customer had paid for it, and we didn't  
11 want the customer to suffer because of the mistake someone  
12 made, and they agreed to let us leave the temporary  
13 connected.

14 MR. O'LEARY: So if ultimately the Board decides that  
15 Hydro One should retain the -- their service territory, the  
16 equipment would be removed, presumably, and at no cost to  
17 the school?

18 MS. LERETTE: Well, the customer has already paid for  
19 the installation and removal of the temporary service, so  
20 that would just be due course.

21 MR. O'LEARY: And has the school board signed the  
22 Horizon Utilities offer to connect?

23 MS. LERETTE: Yes, they did.

24 MR. O'LEARY: All right. And I understand that there  
25 are certain issues that the school board has raised  
26 relative to the offer or the connection proposal from Hydro  
27 One.

28 Could you advise the panel as to your understanding of

1 the concerns the school has?

2 MS. LERETTE: The school has two concerns. The first  
3 concern is if Hydro One services the school the school is  
4 responsible for owning and maintaining the underground  
5 primary cables and the transformer, which they have no  
6 expertise to do. They have to pay a higher cost for a  
7 customer-owned transformer because it requires a  
8 transformer with a high-voltage switch.

9 So their capital costs are higher and their ongoing  
10 maintenance costs are higher. So that is a significant  
11 concern to the school. They do not have the expertise and  
12 do not want to be in a position where something happens to  
13 the transformer and there is no backup and they have no  
14 expertise to provide a backup transformer, where Horizon  
15 can, if something happened to the transformer, replace it  
16 immediately for them if something were to happen. So that  
17 is one of their concerns.

18 They also expressed concerns with power quality in  
19 some of the other schools that they operate in Hydro One's  
20 service territory. So those were their two main concerns.

21 MR. O'LEARY: Thank you. Now, I understand that the  
22 school board has filed a letter which has been provided to  
23 all parties, and it is dated December 18th, 2012. It is a  
24 letter to Tammy O'Sullivan, manager at Hydro One Networks.  
25 And I wonder if we could pull it up for a second or two.

26 MS. LERETTE: Yes, I've got it.

27 MR. O'LEARY: Again, it is December 18th, 2012. It is  
28 a letter from the Hamilton-Wentworth Catholic schools.

1 All right. Thank you. Without going back and  
2 reviewing your concerns, is this letter, in part, the  
3 source of the information that you have, Ms. Lerette, about  
4 the school board's concerns?

5 MS. LERETTE: Yes, it is.

6 MR. O'LEARY: All right. And just looking down at the  
7 table that is there -- sorry, let me start -- first of all,  
8 the first paragraph indicates that the school board is  
9 responding to the second "offer to connect" submitted by  
10 Hydro One.

11 Do you have any recollection of why they would need to  
12 provide a second offer to connect?

13 [Witness panel confers]

14 MS. CONBOY: Hydro One should be able to answer that  
15 as well; right?

16 MR. O'LEARY: Correct.

17 MS. CONBOY: Because it is their offer to connect.

18 MR. O'LEARY: That's fine. In the second paragraph, I  
19 note that the letter references that the Board has  
20 submitted -- the board being, in this case, the Hamilton-  
21 Wentworth Catholic Separate School Board -- has submitted  
22 the Hydro One proposal to its electrical engineer, Mr.  
23 Stephen Swing of NRG Consultants.

24 And then actually attached to this letter are two  
25 pages of spreadsheets, which would do a detailed comparison  
26 of the costs of the offerings of the two utilities?

27 MS. LERETTE: Yes.

28 MR. O'LEARY: Then below that appears to be a summary

1 of the findings of the consultants. And in respect of the  
2 Horizon Utilities, paragraph 1, where it says offer to  
3 connect 63,737, is there in fact a capital contribution  
4 required of the school?

5 MS. LERETTE: There is no capital contribution.

6 This 63,737 is actually a refundable expansion deposit  
7 that's collected to cover the capital costs, but as their  
8 load materializes and the revenue is protected, we give  
9 that money back.

10 MR. O'LEARY: So if the school didn't get built, you  
11 would keep it, but if it's built you give it back?

12 MS. LERETTE: We would only keep it if we built the  
13 assets and they didn't use them, but --

14 MR. O'LEARY: If they didn't build the school.

15 Then Hydro One, they have a number of items there, but  
16 if you go to item 2(b), transformer and primary cables,  
17 what is your understanding of what NRG Consultants have --  
18 what costs they have attempted to capture by that number?

19 MS. LERETTE: So they've attempted to capture the  
20 underground primary cables from the south side of Rymal  
21 Road into the transformer and the actual cost for  
22 installing -- supplying and installing the actual  
23 transformer.

24 MR. O'LEARY: All right. These are the costs that  
25 would have to be paid by whom?

26 MS. LERETTE: By the school board.

27 MR. O'LEARY: All right. And immediately below that  
28 it says "yearly transformer maintenance". Do you know what

1 that is referring to?

2 MS. LERETTE: So if they own their transformer, there  
3 is annual maintenance done on the transformer and the high  
4 voltage switch that is required. So that is the school  
5 board's cost to maintain that equipment.

6 MR. O'LEARY: And then right at the very bottom, it  
7 refers to a note:

8 "The Board will own the 1500 kVA transformer and  
9 HV cables without spare or backup parts. A  
10 replacement transformer could have up to a 16-  
11 week delivery should a failure occur."

12 Does that speak to your concerns that, as you  
13 understand it, the board has about owning the  
14 transformation equipment?

15 MS. LERETTE: Yes. There is no way the school can  
16 ever be without power for 16 weeks, and it would probably  
17 be very expensive for them to provide a temporary backup  
18 through a third party.

19 MR. O'LEARY: All right, thank you. Now, if I could  
20 ask you to turn, we've done at the request of Board Staff a  
21 comparison of the cost of the two utilities providing  
22 service to the school, and that is at Board Staff 16.

23 MS. BUTANY-DeSOUZA: Yes.

24 MR. O'LEARY: So it is the Horizon Utilities'  
25 Interrogatory Response No. 16 to Board Staff, and there is  
26 a table on the second page of that.

27 MS. LERETTE: Yes.

28 MR. ROBERGE: Yes.

1 MR. O'LEARY: All right. And just as we did last  
2 time, if I could ask you also to turn to the Hydro One  
3 evidence, they have filed as part of their prefiled  
4 evidence their connection proposal to the school board and  
5 that is found at appendix C of their prefiled evidence.

6 This is the second proposal dated December 14th, 2012.  
7 It looks a bit like this. Oh, that's it.

8 So I am going to take you to page -- or the fourth  
9 page of that document and ask you if I'm correct. Is that  
10 the only page in the document which contains any costs or  
11 figures?

12 MR. ROBERGE: One moment, Dennis. We don't have the  
13 document here.

14 MS. LERETTE: So page 4 of the offer to connect?

15 MR. O'LEARY: Yes, the Hydro One December 14th...

16 MR. ROBERGE: It is this page, Dennis?

17 MR. O'LEARY: I believe that is it, yes. At the top,  
18 it should read "Customer Service Contract", page 1 of 2.

19 MS. LERETTE: Yes.

20 MR. ROBERGE: Yes.

21 MR. O'LEARY: All right. And I am just asking, to  
22 move matters along: Is that the only page in this proposal  
23 that has any costs?

24 MR. ROBERGE: Yes. From Hydro One, yes.

25 MR. O'LEARY: All right. So if I take you back to  
26 your response to Board Staff Interrogatory No. 16, and  
27 again this is an attempt to compare the costs of the two  
28 utilities providing service.

1           If I go under the "Hydro One" column, I see a figure  
2 of \$4,620.

3           MR. ROBERGE: Yes.

4           MR. O'LEARY: Where does that come from?

5           MR. ROBERGE: It comes from that page 1 of 2, December  
6 14 document, the 4,619.34.

7           MR. O'LEARY: You have just rounded it up to --

8           MR. ROBERGE: 4,620.

9           MR. O'LEARY: Thank you.

10          And in terms of the upstream component for Hydro One,  
11 there is no figure included there at all?

12          MR. ROBERGE: No.

13          MR. O'LEARY: And why is that?

14          MR. ROBERGE: I don't know. I would have to ask Hydro  
15 One to answer that.

16          MR. O'LEARY: All right. In terms of the upstream for  
17 Horizon Utilities, you've included the words "excluded for  
18 comparison". Why is that?

19          MR. ROBERGE: Because Horizon will be charging an  
20 upstream component, but Hydro One, in their documents,  
21 exclude this and we don't agree with this, because they are  
22 building assets to be able to supply this school.

23          MR. O'LEARY: All right. So in Horizon Utilities'  
24 offer to connect -- first of all, was it -- in the offer to  
25 connect given to the school board, was it done consistent  
26 with the Distribution System Code?

27          MR. ROBERGE: Yes, it was.

28          MR. O'LEARY: And you included some expansion costs in



1 your offer to connect?

2 MR. ROBERGE: Yes. They can be seen at tab 15 for  
3 \$98,791 of upstream costs.

4 MR. O'LEARY: So you are referring to tab 15 in the  
5 exhibit we filed this morning, 1.2?

6 MR. ROBERGE: Yes, yes.

7 MR. O'LEARY: All right. And the reason, again, why  
8 you have removed the upstream costs in this comparison is  
9 why?

10 MR. ROBERGE: It is to have an apples-to-apples  
11 comparison with Hydro One.

12 MR. O'LEARY: All right. At line 6 under the "Horizon  
13 Utilities" column, it is referring to transformer and HV  
14 cables and says "costs included above".

15 MR. ROBERGE: Yes, it is.

16 MR. O'LEARY: So that work is included in the  
17 equipment that is identified in the lines above?

18 MR. ROBERGE: Yes.

19 MR. O'LEARY: And to the right of it, we see the  
20 figure of 129,821. Is that the figure that comes out of  
21 the school board's consultant's report?

22 MR. ROBERGE: Yes, it is, dated December 18.

23 MR. O'LEARY: That is the one we just looked at?

24 MS. LERETTE: Yes.

25 MR. ROBERGE: Yes.

26 MR. O'LEARY: All right. So you have totalled up the  
27 two lines?

28 MR. ROBERGE: Yes.

1 MR. O'LEARY: And I see under the Horizon Utilities  
2 you've got a figure of 63,738?

3 MR. ROBERGE: Yes.

4 MR. O'LEARY: Is that an actual cost or is that the  
5 expansion deposit?

6 MR. ROBERGE: It is an actual cost, but once we run  
7 the economic model, there is \$71,000 available. So that,  
8 in fact, negates having the need for capital contribution.

9 MR. O'LEARY: All right. So the net present value of  
10 the future revenues at this project are the \$71,000?

11 MR. ROBERGE: Yes.

12 MR. O'LEARY: All right. And in terms of the total  
13 costs to the customer?

14 MR. ROBERGE: There is no cost to the customer, and  
15 all we ask is a \$63,738 refundable expansion deposit.

16 MR. O'LEARY: So then in comparison, the total --  
17 under line 7, there is the total, addition of lines 1 to 6.  
18 The total cost is \$63,000 for Horizon Utilities; whereas  
19 the Hydro One, when you include the consultant's number, is  
20 the \$134,000?

21 MR. ROBERGE: Yes, that is correct.

22 MR. O'LEARY: And moving briefly to part V, Ms.  
23 Butany-DeSouza, could you please tell us what was the  
24 reason why Horizon Utilities has included the balance of  
25 the Summit Park development lands as part V in this  
26 application?

27 MS. BUTANY-DeSOUZA: When Horizon Utilities was filing  
28 the update to the application on October 24th, we were

1 cognizant of the number of service-area amendment  
2 applications that have preceded this particular application  
3 that's before the Board.

4 Those applications, as I have previously indicated,  
5 have expanded on the contiguous -- leveraging the --  
6 leveraging the distribution assets into the contiguous  
7 service areas that have unrolled because of the expansion  
8 of Summit Park Developments.

9 And so when we were looking at the remainder of the  
10 lands, it seemed appropriate for regulatory efficiency to  
11 address the last portion of lands, which we have called  
12 part V of this application, in order to address those  
13 lands, given that Horizon's service territory and its  
14 distribution assets butt up against those lands as well.

15 MR. O'LEARY: All right. And just for clarity, who is  
16 the owner of the balance of those lands?

17 MS. BUTANY-DeSOUZA: Multi-Area Developments.

18 MR. O'LEARY: Thank you. Those are our questions in-  
19 chief.

20 MR. ELSAYED: Sorry, are those the lots that are  
21 labelled 1 to 4 on this drawing here? The vacant lots?

22 MR. O'LEARY: It would be the area on the map which  
23 Board Staff outlined as part V. So that was Exhibit --

24 MS. HELT: -- K1.1.

25 MR. O'LEARY: Thank you.

26 MR. ELSAYED: Okay.

27 MS. CONBOY: Thank you very much. We will go around  
28 again with the same order that we did originally.

1           So Mr. Shepherd, have you got any questions of the  
2 panel?

3           MR. SHEPHERD: I do, but I will be brief.

4           **CROSS-EXAMINATION BY MR. SHEPHERD:**

5           MR. SHEPHERD: Let's start with part IV. This is a  
6 large secondary school.

7           MS. LERETTE: Yes, it is.

8           MR. SHEPHERD: You are familiar with the physical  
9 area? You have seen the building?

10          MS. LERETTE: Yes.

11          MR. SHEPHERD: And the temporary service you put in,  
12 the school can't open with that service, right?

13          MS. LERETTE: No, it cannot. That is just a building  
14 power service.

15          MR. SHEPHERD: So it is for construction, right?

16          MS. LERETTE: Yes.

17          MR. SHEPHERD: So for example, a lot of its internal  
18 workings would require more service than that.

19          MS. LERETTE: That's right.

20          MR. SHEPHERD: And do you know when this school is  
21 supposed to open?

22          MR. ROBERGE: April of this year is when they're  
23 requiring some power.

24          MR. SHEPHERD: Okay. And that is to put in the  
25 elevators, right?

26          MR. ROBERGE: I am not sure. From the NCCI sheet,  
27 they're asking for power on April of 2013.

28          MS. LERETTE: They need to start commissioning the

1 equipment within the school.

2 MR. SHEPHERD: And when would -- do you know when the  
3 school is actually supposed to open for students?

4 MS. LERETTE: Isn't it September?

5 MS. BUTANY-DeSOUZA: Not definitively, though they are  
6 hoping for the next school year, so September 2013.

7 MR. SHEPHERD: And what is the number of students for  
8 this school? Do you know?

9 MS. LERETTE: Don't know.

10 MS. BUTANY-DeSOUZA: I couldn't say offhand.

11 MR. SHEPHERD: No? Okay.

12 Then -- now, I'm not sure whether we heard from you --  
13 and perhaps you can -- and maybe I just missed it -- I had  
14 understood that in this whole area -- that is, from Trinity  
15 Church Road and north of Rymal Road, all the way over to  
16 Swayze -- the end number of houses is supposed to be about  
17 3,300; is that right?

18 MS. LERETTE: No. It is actually -- the total number  
19 is about -- almost 2,400.

20 MR. SHEPHERD: 2,400 houses in the area, right? And,  
21 now, there are, in addition to this school that is already  
22 under construction, right? It is already under  
23 construction?

24 MS. LERETTE: Mm-hmm. Yes, it is under construction.

25 MR. SHEPHERD: There are two elementary schools, one  
26 separate and one public, planned for part I, which we  
27 talked about earlier, right?

28 MS. LERETTE: Yes.

1 MR. SHEPHERD: And there is one more secondary school  
2 planned for part V.

3 MS. LERETTE: That's right.

4 MR. SHEPHERD: And that would be the public secondary.

5 MS. LERETTE: Yes.

6 MR. SHEPHERD: So a total of four schools in this  
7 area.

8 MS. LERETTE: That's right.

9 MR. SHEPHERD: Okay. The letter of December 18th from  
10 Mr. Morrissey to the Board, which you looked at a minute  
11 ago, had two charts of rate comparisons. Have you had a  
12 chance to look at those charts and see whether you agree  
13 that they're correct?

14 MS. LERETTE: Actually, I don't have that chart, the  
15 rate comparison chart.

16 MS. BUTANY-DeSOUZA: Is it possible to pull it up?

17 MS. LERETTE: I only have the letter in my binder.

18 MS. BUTANY-DeSOUZA: It was on the screen.

19 MR. O'LEARY: Sorry, it is very small.

20 [Mr. O'Leary passes document to witness]

21 MR. SHEPHERD: Have you looked at these before?

22 MS. LERETTE: I have not.

23 MR. SHEPHERD: Has anybody on the panel?

24 MS. BUTANY-DeSOUZA: Yes, I have.

25 MR. SHEPHERD: You have?

26 MS. BUTANY-DeSOUZA: Yes.

27 MR. SHEPHERD: And has anybody verified that the  
28 calculations are correct?

1 MS. BUTANY-DeSOUZA: We double-checked the rates that  
2 they were using, but recognizing that the rates have now  
3 changed because Hydro One got its new rate order, and so  
4 did Horizon Utilities. So these wouldn't, in fact, be the  
5 rates going forward for January 2013.

6 MR. SHEPHERD: What was your rate increase from 2012  
7 to 2013?

8 MS. BUTANY-DeSOUZA: Oh, I didn't bring it.

9 MR. SHEPHERD: It was in the order of 1 percent?

10 MS. BUTANY-DeSOUZA: 1.08 percent.

11 MR. SHEPHERD: Okay. And do you know what Hydro One's  
12 was?

13 MS. BUTANY-DeSOUZA: Can you give me one second?

14 MR. SHEPHERD: I can ask them if it is not immediately  
15 available.

16 MS. BUTANY-DeSOUZA: For expediency, I will say ask  
17 them.

18 MR. SHEPHERD: Okay. I will ask them.

19 I am right, am I not, that these comparisons have all  
20 the commodity costs in them, which are essentially  
21 identical from one to the other, right?

22 MS. BUTANY-DeSOUZA: Yes.

23 MR. SHEPHERD: They're not exactly the same, because  
24 you have different loss factors, but they're pretty close,  
25 right?

26 MS. BUTANY-DeSOUZA: Yes, that's correct.

27 MR. SHEPHERD: And so the main difference then, the  
28 dollar difference, is a dollar difference as a result of

1 the distribution and transmission charges, right?

2 MS. BUTANY-DeSOUZA: Yes.

3 MR. SHEPHERD: And this comparison shows that there  
4 are transmission charges associated with Horizon providing  
5 services, but there are no transmission charges associated  
6 with Hydro One providing service; is that correct?

7 MS. BUTANY-DeSOUZA: That's what is shown here,  
8 correct.

9 MR. SHEPHERD: Yes, no, but is that a correct  
10 calculation?

11 MS. BUTANY-DeSOUZA: One second.

12 [Witness panel confers]

13 MS. BUTANY-DeSOUZA: I would expect that Hydro One  
14 would have transmission charges as well.

15 MR. SHEPHERD: All right. I will ask them about that.

16 Then the other thing I wanted to ask about is, the  
17 school's consultant has estimated that the cost of  
18 maintaining the transformer annually is just over \$6,000.  
19 Does that sound right to you? Does that sound like a  
20 reasonable number?

21 MS. LERETTE: Yes.

22 MR. SHEPHERD: Yes, okay. They're in the ballpark?

23 MS. LERETTE: Yes.

24 MR. SHEPHERD: Okay. And then finally, on this  
25 comparison, one comparison shows that the difference  
26 between the two is \$4,000 a year, and the other shows that  
27 it is about \$60,000 a year. Do you know why that is? Your  
28 costs are the same in both cases, right?



1 MS. LERETTE: Can I have the other chart, please?

2 [Witness panel confers]

3 MR. SHEPHERD: If you don't know the answer  
4 immediately, I can pursue this with Hydro One. I was  
5 trying to take a shortcut.

6 [Witness panel confers]

7 MR. SHEPHERD: Perhaps I should move on to -- and I  
8 will leave it with you, that now that this has been brought  
9 to your attention, if there are some -- if there is a  
10 comparison or an analysis of these numbers that you are  
11 able to provide us at some point before the hearing is  
12 over, that would be appreciated.

13 MS. BUTANY-DeSOUZA: Happy to take it as an  
14 undertaking.

15 MR. SHEPHERD: I don't think it needs to be a formal  
16 undertaking, just, you know --

17 MS. BUTANY-DeSOUZA: Okay. But I would note that as  
18 you compare the two charts, even if you just look at the  
19 delivery line for Hydro One versus Horizon -- the Hydro One  
20 versus itself, one's over \$5,000, whereas the other is  
21 close to three.

22 MR. SHEPHERD: Yes, I understand.

23 MS. BUTANY-DeSOUZA: A difference.

24 MR. SHEPHERD: And then my last question is, you serve  
25 a number of schools for Hamilton-Wentworth Catholic  
26 District School Board, right?

27 MS. BUTANY-DeSOUZA: We do.

28 MR. SHEPHERD: Do you know how many?

1 MS. BUTANY-DeSOUZA: Ballpark, a couple of hundred.

2 MR. SHEPHERD: Okay. That is not from your knowledge.

3 That is just your guessing; right? From this --

4 MS. BUTANY-DeSOUZA: Estimation.

5 MR. SHEPHERD: From living in the city.

6 MS. BUTANY-DeSOUZA: Estimation.

7 MR. SHEPHERD: That is all of my questions. Thank  
8 you.

9 MS. CONBOY: Mr. Stoll?

10 MR. STOLL: Mercifully, I don't have any questions, so  
11 we can carry on.

12 MS. CONBOY: Mr. Malcolmsen?

13 **CROSS-EXAMINATION BY MR. MALCOLMSON**

14 MR. MALCOLMSON: Just a point of clarification.

15 If you look at Exhibit K1.1, which is the map that --  
16 the Horizon map that the Board superimposed the parts on  
17 this morning.

18 MS. CONBOY: Thank you.

19 MR. MALCOLMSON: If you look at the land that is  
20 immediately south of the part 2280 Rymal Road East, there  
21 is a block of vacant land that abuts it.

22 My client -- you've got your pen on it right now.  
23 Right, there, 2280 I believe it is.

24 MS. BUTANY-DeSOUZA: 2080.

25 MR. MALCOLMSON: So there is a parcel of land  
26 immediately south of it.

27 MS. BUTANY-DeSOUZA: Okay.

28 MR. MALCOLMSON: My client, Mr. Spicer, advises that

1 land is not owned by Multi-Area, just for the record. I  
2 think the evidence was that that land was owned by Multi-  
3 Area. It is not.

4 MS. CONBOY: Thank you.

5 MR. MALCOLMSON: So I just put that on the record,  
6 unless you have a different view.

7 MS. SPOEL: Which piece is that, Mr. Malcolmson?

8 MR. MALCOLMSON: Pardon me?

9 MS. SPOEL: Which piece is that?

10 MR. MALCOLMSON: I can only best describe it if you  
11 look at 2080 Rymal Road, a big block of green land  
12 immediately abutting it to the south, part of the white  
13 block --

14 MS. SPOEL: Well, part of what looks like it is lot 3?

15 MR. MALCOLMSON: Correct.

16 MS. SPOEL: Okay, thank you.

17 MR. O'LEARY: I am wondering, Madam Chair, since, you  
18 know, we have filed the information that we understood was  
19 correct in terms of the ownership of these lands, whether  
20 my friend might be so kind as to produce a correct legal  
21 description for the balance of part V?

22 I understand Mr. Malcolmson is not going to be putting  
23 Mr. Spicer in the stand, but I think it would be  
24 appropriate to find out. If there has been some sort of a  
25 realty issue that has arisen, we should -- I would think  
26 the Board and certainly Horizon would like to know, if  
27 there are lands that aren't owned by Multi-Area, then  
28 perhaps he could give us the information that corrects

1 that.

2 MS. CONBOY: Mr. Malcolmson?

3 MR. MALCOLMSON: I think we could provide a legal  
4 description of the lands owned by Multi-Area.

5 MS. CONBOY: Thank you. Should we take that? I am  
6 not sure if we need to take that as an undertaking or  
7 whether we just --

8 MS. HELT: We could note that as an undertaking.  
9 Perhaps you could indicate when you think you would be able  
10 to provide that.

11 MR. MALCOLMSON: By the end of next week.

12 MS. HELT: Before the end of the hearing, I take it?

13 MR. MALCOLMSON: Yes.

14 MS. HELT: All right. Then, Madam Chair, I would  
15 propose we mark that as undertaking J1.1, To provide a  
16 legal description of the lands referred to in part III or  
17 part V?

18 MS. CONBOY: Part V, but lot 3.

19 MS. HELT: Part V, lot 3.

20 **UNDERTAKING NO. J1.1: TO PROVIDE LEGAL DESCRIPTION OF**  
21 **LANDS REFERRED TO IN PART V, LOT 3 LANDS OWNED BY**  
22 **MULTI-AREA.**

23 MS. CONBOY: Thank you. Mr. Stephenson, are you --

24 MR. STEPHENSON: I think it is Mr. Engelberg. I think  
25 it is Mr. Engelberg next.

26 MS. CONBOY: Okay. You are ready to go? Just so I am  
27 clear, Mr. Lanni, do you have further cross-examination?  
28 I'm not necessarily saying go ahead yet, but we are just

1 trying to --

2 MR. LANNI: I may have a question or two.

3 MS. CONBOY: Okay.

4 MR. ENGELBERG: Madam Chair, would this be an  
5 appropriate time for the break?

6 MS. CONBOY: Sure. I am happy to break now. So it is  
7 five after. We will start again at 25 after, so 20 minutes  
8 with Mr. Engelberg, and then followed by Mr. Lanni and Mr.  
9 Stephenson. Thank you.

10 --- Recess taken at 3:05 p.m.

11 --- On resuming at 3:29 p.m.

12 MS. CONBOY: Thank you. Please be seated.

13 You will be happy to know that this coffee is hot,  
14 because we intend to stay until ten o'clock tonight and go  
15 through all the Hydro One witnesses.

16 The question that we were trying to get comments on  
17 was whether we were going to be able to get through the  
18 Horizon witnesses today and then reconvene another day to  
19 hear examination in-chief and cross-examination of the  
20 Hydro One witnesses. So you can all breathe a collective  
21 sigh of relief.

22 Now, whether that is going to be next week on the  
23 14th, we've got to sort that out, Mr. O'Leary, and try and  
24 balance up, obviously, availability and moving on with this  
25 application so the development can get underway.

26 MR. O'LEARY: Thank you, Madam Chair. I just wanted  
27 to indicate that, you know, if there is sufficient time to  
28 deal with the Hydro One evidence in-chief today, we would

1 be delighted to, you know, do with that, and then that  
2 would shorten up the next day as well.

3 MS. CONBOY: Okay. Well, let's see how we go with the  
4 remaining cross-examination and where we are when we finish  
5 that, and then we can turn to Mr. Engelberg and see about  
6 timing.

7 MR. O'LEARY: I just have two small preliminary  
8 matters.

9 MS. CONBOY: Okay.

10 MR. O'LEARY: And one is really in response to my  
11 friend Mr. Malcolmson's point of clarification. In  
12 speaking with Mr. Malcolmson over the break -- you will  
13 recall that he mentioned there was one area that is not  
14 owned by Multi-Area?

15 MS. CONBOY: Yes.

16 MR. O'LEARY: I am advised that it is actually Mr.  
17 Spicer's brother, who is also the owner of -- Mr.  
18 DeSantis's brother, who is one of the principals of Multi-  
19 Area? Yes. And Mr. DeSantis also owns the piece of part  
20 III which is number 2080. So he would be on notice of  
21 certainly that part of the application. And subject to  
22 what Mr. Malcolmson would say, it would appear that it is,  
23 you know, all part of one development project, that you  
24 just have separate owners.

25 MS. CONBOY: Thank you.

26 MR. O'LEARY: And the other thing, I just should  
27 mention for the record that Mr. Paddy Vlanich is here from  
28 the International Brotherhood of Electrical Workers, back

1 here, just over my left shoulder, and they are one of the  
2 intervenors in this proceeding as well, but I thought it  
3 should be acknowledged on the record.

4 MS. CONBOY: Thank you very much.

5 Mr. Engelberg, are we ready to proceed with your  
6 examination?

7 MR. ENGELBERG: Yes, Madam Chair.

8 MS. CONBOY: Thank you.

9 **CROSS-EXAMINATION BY MR. ENGELBERG:**

10 MR. ENGELBERG: Some of my questions won't be  
11 addressed to any witness panel member in particular, so  
12 whichever one is most appropriate to answer it will be  
13 acceptable to me. Some of them will be directed to  
14 individuals.

15 My first question I would like to know is, we've  
16 talked a lot about what's included in part I of this  
17 application, and I understand that it is a residential  
18 development, Summit Park, Phase 7. Does it include any  
19 other types of land other than land for houses?

20 [Witness panel confers]

21 MS. LERETTE: Summit Park 7, the area in question also  
22 has two school properties, one park property, and a small  
23 commercial development to the south -- to the north, sorry.

24 MR. ENGELBERG: Have any of those properties been  
25 built or are imminently going to be built, or are they all  
26 vacant properties?

27 MS. LERETTE: They're currently all vacant.

28 MR. ENGELBERG: If Horizon doesn't succeed in this

1 application in severing Summit Park, Phase 7 from Hydro  
2 One, does Horizon now recognize from the evidence that it  
3 has seen that Hydro One will be serving Phase 7 by the 27.6  
4 kV feeder that Hydro One is building to Binbrook?

5 [Witness panel confers]

6 MS. LERETTE: I wouldn't want to assume how Hydro One  
7 is going to feed Summit Park 7.

8 MR. ENGELBERG: But Horizon hasn't seen anything to  
9 indicate from Hydro One that it is not going to be serving  
10 Summit Park, Phase 7 with the feeder to Binbrook? That's  
11 what I'm getting at.

12 MS. LERETTE: Well, we've seen the temporary  
13 construction that they've done along Rymel Road.

14 MR. ENGELBERG: Okay. And assuming that work  
15 progresses -- and I understand from what I have heard today  
16 that it already is -- does Horizon agree that the 27.6 kV  
17 feeder tie to Binbrook can actually serve Summit Park,  
18 Phase 7?

19 MS. LERETTE: I'm not in a position to answer that.

20 [Witness panel confers]

21 MS. BUTANY-DeSOUZA: If you wouldn't mind, can you  
22 repeat the question?

23 MR. ENGELBERG: Does Horizon agree, from what it has  
24 heard, that, assuming the Hydro One 27.6 kV feeder  
25 continues to be built, it's already being built to  
26 Binbrook, that it can serve Summit Park, Phase 7?

27 MS. BUTANY-DeSOUZA: Respectfully, we haven't heard  
28 from Hydro One's witnesses as yet. We've read some of



1 their evidence. It is not clear -- we've seen and we have  
2 tried to map out what we understand Hydro One is doing,  
3 but, frankly, it seems to be a moving target and hasn't  
4 seemed consistent, update over update.

5 MR. ENGELBERG: Well, I put it to you that it isn't a  
6 moving target. It's been clear in Hydro One's pre-filed  
7 evidence from day one that Hydro One is building a 27.6 kV  
8 feeder tie to Binbrook. It goes along Rymal Road. It goes  
9 along all these properties, parts I through V. It's for  
10 the purpose of serving load growth in Binbrook. And what  
11 I'm asking you is, assuming that that work progresses, it  
12 has already started, do you recognize that a 27.6 kV feeder  
13 is adequate to serve Summit Park, Phase 7?

14 MS. LERETTE: So under the current conditions of Nebo  
15 TS and the capacity constraints right now, I would say they  
16 would have some difficulty doing that.

17 MR. ENGELBERG: And what do you rely on to say that?  
18 What, in the capacity, makes you believe that that feeder  
19 tie would be inadequate for Summit Park, Phase 7?

20 MS. LERETTE: Because the existing capacity at Nebo TS  
21 is already over capacity. We have exceeded the ten-day LTR  
22 limit of that station. So adding any more load to the  
23 existing Nebo feeders, at least from Hydro One's  
24 perspective, would be problematic.

25 MR. ENGELBERG: So moving along with that kind of  
26 reasoning, does that mean that it would be inadequate for  
27 that feeder tie -- the loop feed that Hydro One is building  
28 -- to serve any of the other properties all along that

1 line, including the destination of Binbrook?

2 MS. LERETTE: Under the current capacity constraints,  
3 I would say yes. They would have difficulty adding any  
4 load to that feeder right now.

5 MR. ENGELBERG: What is Horizon's position as to what  
6 Hydro One would need to do in order to make that possible?

7 MS. LERETTE: They have to complete the Nebo TS  
8 upgrade.

9 MR. ENGELBERG: How many positions?

10 MS. LERETTE: I know we're getting two additional  
11 positions. Hydro One's getting four additional positions.

12 MR. ENGELBERG: And with the four additional positions  
13 that Hydro One is getting, would that make the feeder tie  
14 to Binbrook adequate?

15 MS. LERETTE: Well...

16 [Witness panel confers]

17 MS. LERETTE: So, yes. After the Nebo TS upgrade the  
18 feeder, as indicated by Hydro One, would be able to service  
19 those developments. But it seems like a waste, considering  
20 Horizon has a 27.6 line already right across Rymal Road.  
21 So it seems like a long way to go to Binbrook if you head  
22 in the wrong direction to go to Rymal Road before you go  
23 way back down to Binbrook.

24 MR. ENGELBERG: What route are you suggesting should  
25 have been chosen to go to Binbrook? I think we heard that  
26 there is a lot of green space, protected area. Is there a  
27 better route that Horizon is proposing?

28 MR. FREEMAN: I think, Mr. Engelberg, you are mistaken

1 about what was suggested was green space. The green space  
2 is on the north side of Rymal Road in Horizon's service  
3 territory.

4 And I think, you know, as Mr. Burman mentioned, there  
5 was multiple routes, and Ms. Lerette mentioned, multiple  
6 routes directly southward on Nebo Road, Trinity Church  
7 Road, Fletcher Road to get to Binbrook that were more  
8 direct and less circuitous than going along Rymal Road.

9 MR. ENGELBERG: Does Horizon recognize that even going  
10 south there is a considerable amount of green space that  
11 would have to be avoided by Hydro One?

12 MR. FREEMAN: That would be incorrect, because it is  
13 just rural agricultural land. It is not protected green  
14 space, in the sense of it is a conservation area. It is  
15 just preserved agricultural land.

16 So it would be quite common, as you would know,  
17 throughout Ontario to build these types of feeders on rural  
18 roads.

19 MR. ENGELBERG: Where a new customer, a new proposed  
20 customer - for example, Summit Park phase 7 or any other  
21 new customer - makes plans to build its business or houses  
22 and approach its own LDC to seek an offer to connect, is  
23 that customer entitled to accept the offer to connect from  
24 its own LDC? Is that Horizon's policy?

25 MS. BUTANY-DeSOUZA: Yes. We wouldn't disagree with  
26 that, but that's not the facts in this case.

27 The fact is that Multi-Area approached Horizon for a  
28 service area amendment. We have documentation that

1 supports that Multi-Area came to Horizon in January,  
2 supported Horizon in July. We're not saying that you can't  
3 accept -- that the customer cannot accept an offer to  
4 connect.

5 We're suggesting, however, that the facts in this case  
6 are that Multi-Area came to Horizon first.

7 MR. ENGELBERG: Well, there is no dispute they went to  
8 Horizon first. But after they stopped looking at Horizon,  
9 what I am asking is: When they then approach their own LDC  
10 inside their own service territory and get an offer to  
11 connect from their own LDC, are they entitled to accept it?

12 MS. BUTANY-DeSOUZA: Yes. The question, however,  
13 isn't -- I mean, I think you are going into --  
14 respectfully, I think you're going into customer choice,  
15 and I know that the Panel has not asked us, has tried --  
16 has asked us -- has requested that we stay away from facts  
17 -- or discussion of policy or principles from the combined  
18 proceeding.

19 But I'd just like to identify for the record that that  
20 is an issue of choice.

21 MR. ENGELBERG: This is not a question of policy or  
22 principle. And, with respect, in the past when we have  
23 talked about matters of choice, we've spoken about the  
24 situation where a customer wants to go with another LDC  
25 outside of its service territory and whether that  
26 customer's choice should be taken into account.

27 What I am putting to you that in this particular case  
28 occurred is that the customer, inside its own service

1 territory, went to its own LDC to get an offer to connect,  
2 and I am asking whether that customer is entitled to  
3 contract with its own LDC.

4 MS. BUTANY-DeSOUZA: And I guess the answer to that  
5 would be that, yes, they are, and hopefully that that is  
6 predicated on fair and reasonable comparisons of an apples  
7 to apples, which was what happened in this case.

8 And like we've contended all along, this isn't a  
9 question of the customer being offered a fair comparison to  
10 that which Horizon had provided.

11 MR. ENGELBERG: Well, I think we have heard from  
12 Horizon on that and we'll be hearing from Hydro One on  
13 that --

14 MS. BUTANY-DeSOUZA: Sure.

15 MR. ENGELBERG: -- as to whether the offer was fair.  
16 But taking your position for a moment, if it is unfair, in  
17 your view, is it correct to ask the Board to overturn the  
18 contract that the LDC and its customer inside its service  
19 territory have willingly entered into?

20 MR. O'LEARY: Madam Chair, I am reluctant to  
21 interrupt, but it sounds like my friend is asking for a  
22 legal interpretation of what the Board can or cannot do in  
23 respect of a contract that's been signed between an LDC and  
24 a customer.

25 Certainly I can offer a response in that regard, but I  
26 am not sure this panel is in a position to do that.

27 MR. ENGELBERG: Madam Chair, I am not really asking  
28 whether there is a legal right to do so. I'm asking

1 whether that is done as a matter of practice and whether  
2 that has ever occurred to Horizon.

3 MS. CONBOY: Mr. Shepherd, I see you wanting to weigh  
4 in here.

5 MR. SHEPHERD: Madam Chair, I was very careful in my  
6 cross-examination not to raise any policy or general issues  
7 and to stick strictly to the facts, and I think it is  
8 unfair that Mr. Engelberg should be continuing with this  
9 discussion, which is clearly a policy discussion.

10 MS. CONBOY: Thank you. I think, Mr. Engelberg, if  
11 you could move on. You have made that argument in your  
12 evidence and through the interrogatory process. And we  
13 will -- if there are issues, if there are legal issues or  
14 policy matters with respect to abrogating a contract or  
15 wherever your position is, we can take those in argument.

16 MR. ENGELBERG: I would like to ask, though, if I may  
17 just finish up that line of questioning, not whether there  
18 is an entitlement to abrogate the contract, but whether  
19 Horizon has a policy in that regard, a policy in place.

20 MS. BUTANY-DeSOUZA: Sorry, maybe you can clarify your  
21 question.

22 Your question is whether Horizon has what policy in  
23 place?

24 MR. ENGELBERG: Does Horizon have a policy in place as  
25 to whether -- what role Horizon takes when one of its  
26 customers in its service territory wishes to contract with  
27 Horizon, but another adjacent utility also wishes to  
28 contract with Horizon and the contract has already been

1 entered into between Horizon and its own customer? Do you  
2 have any kind of a policy?

3 MS. BUTANY-DeSOUZA: Respectfully, I still think you  
4 are getting into a hypothetical that I can't comment on.

5 MS. CONBOY: Well, I think he is actually asking you  
6 whether you have a policy. If there's a customer that  
7 comes to you and there is a contract signed, is there a  
8 stated policy at Horizon as to what you would do in that  
9 situation? Is that correct, Mr. Engelberg?

10 MR. ENGELBERG: That is correct. I want to know if  
11 there is a policy.

12 [Witness panel confers]

13 MS. BUTANY-DeSOUZA: I am not aware of an explicit  
14 policy.

15 MR. ENGELBERG: Thank you. And my final question.  
16 Mr. O'Leary had filed in his document brief a number of  
17 past service area amendment applications by Horizon in this  
18 very area.

19 What I would like to ask you is whether Horizon has  
20 ever been involved in a service area amendment application  
21 where the customer being sought by the non-incumbent LDC  
22 wanted to stay with its own licensed LDC, or is this the  
23 first time?

24 MS. BUTANY-DeSOUZA: With reference to the service  
25 area amendment applications that are in the documents  
26 brief, the customer has always been Multi-Area  
27 Developments, and Multi-Area has sought Horizon's  
28 assistance in seeking out those service area amendment

1 applications.

2 MR. ENGELBERG: Well, my question wasn't limited to  
3 the ones that were filed by Mr. O'Leary. I was asking  
4 globally if Horizon has ever been involved in applications  
5 where the customer being sought by the non-incumbent LDC  
6 wanted to stay with its own LDC.

7 MS. BUTANY-DeSOUZA: I'm not aware of any others.

8 MR. ENGELBERG: Thank you. Now, we heard this morning  
9 some questions about planning in the area. I would like to  
10 know whether Horizon agrees that LDCs should plan to serve  
11 all portions of their licensed service territories, whether  
12 customers are existing there now or are anticipated in the  
13 future. I don't know whether that would be Mr. Roberge or  
14 Mr. Burman, or perhaps Ms. Lerette.

15 MR. BURMAN: I would suggest that, given the  
16 information that I've seen, it would serve everyone best if  
17 the most economic solution were chosen in that regard in  
18 terms of serving the appropriate parts of their service  
19 territory.

20 MR. ENGELBERG: I think I need to restate my question,  
21 because that doesn't answer it. We're talking about  
22 planning, and I am asking whether an LDC that has a service  
23 territory should -- pursuant to its obligations under the  
24 Distribution System Code, should it plan to serve all parts  
25 of the service territory that has been licensed to it?

26 MS. BUTANY-DeSOUZA: I am trying to stay away from  
27 policy and principles, but I think that we're all guided by  
28 past decisions of the Board in taking on system planning.



1           My colleagues I'm sure can jump in here, as well, but  
2 it seems to me that from the combined proceeding and other  
3 decisions of the Board, perhaps, Mr. Burman is exactly  
4 right that matters of economic efficiency do need to be  
5 taken into consideration, and if it is appropriate and more  
6 economically efficient that another LDC or a neighbouring  
7 LDC contiguous to the area in question serve the customer,  
8 that that be appropriate.

9           MR. ENGELBERG: But I am asking here about future  
10 planning. I am not talking about when there is a service-  
11 area amendment in question. Are you saying that a licensed  
12 LDC shouldn't be planning down the road to serve all of its  
13 service territory? That it should let parts of it go on  
14 the basis that perhaps in the future there might be a  
15 service-area amendment application for part of its  
16 territory and it might lose it, so it shouldn't be planning  
17 to serve that part of the territory?

18           MR. BURMAN: Planning, in my frame of reference, I  
19 guess, is doing it the most economically efficient way.  
20 And if it is just-in-time type arrival of facilities, when  
21 the customer is requiring, then that is the objective. And  
22 planning too far ahead so that assets are there before the  
23 customer load actually materializes, I think, is probably a  
24 waste of assets.

25           MR. ENGELBERG: How long should the planning horizon  
26 be in advance of need?

27           MR. BURMAN: You'd want to -- the need to match up  
28 exactly when the -- or the assets to arrive exactly when

1 the need is there.

2 MR. FREEMAN: I would like to take you, Mr. Engelberg,  
3 to your own evidence, filed under -- your evidence filed at  
4 Appendix B, page 1 of 10 and -- page 1, 2, and 3 of 10.  
5 This is your document called "Hydro One Dundas area loop  
6 feed to Binbrook", which presumably outlines the long-term  
7 planning of Hydro One with respect to this loop feed.

8 MS. CONBOY: Maybe you could give us a second to find  
9 it, please.

10 MR. FREEMAN: So it is the evidence dated January 11th  
11 to the Board secretary, and it is Appendix B.

12 MS. CONBOY: While we are looking for it, I tend to  
13 agree with Mr. Shepherd. We're skating pretty close to  
14 areas that can be best covered in argument. So if we could  
15 bear that in mind, please.

16 MR. FREEMAN: So we're at the document then? On the  
17 second page of that document, Mr. Engelberg, your company,  
18 Hydro One Networks, outlines five -- five justifications  
19 for the long-term planning you speak of with respect to  
20 this feeder.

21 And one of them is mentioned as environment, and the  
22 second is without any detail to explain in particular why  
23 the circuitous route along Rymal Road is the preferred one.

24 The second one is that the route can effectively and  
25 efficiently serve Hydro One's service area. The feeder  
26 route will enable -- this is number 2 -- enumeration 2 --  
27 will enable further system reinforcement eastward on Rymal  
28 Road from Highway 6 as required in the future. The

1 preferred route will meet this.

2 Elsewhere in your evidence you mention this Alfreda  
3 growth area and industrial park, and indeed, you mention it  
4 in part IV.

5 I think what is clear with respect to the municipal  
6 planning in the City of Hamilton is this is in the green  
7 belt, and there is no development. This line, as you are  
8 talking about with respect to your future planning, is for  
9 growth that is not going to materialize. It is outside the  
10 urban boundary of Hamilton's urban official plan, and  
11 therefore to be planning on this they -- you haven't  
12 provided the long-term planning justification for this  
13 future growth that you are talking about.

14 And I think Mr. Burman referenced earlier that he  
15 thought your planning was fairly limited, in terms of what  
16 he would have expected from his previous experience.

17 MR. ENGELBERG: Your positions are interesting, Mr.  
18 Freeman, but with respect, you are trying to bring this  
19 back to particular 27.6 kV feeder tie.

20 MR. FREEMAN: This is an example, however, of your  
21 long-term planning that you are speaking of.

22 MR. ENGELBERG: And I don't want to take the witnesses  
23 by surprise, but I think you can see from the evidence that  
24 Hydro One already filed that there are going to be  
25 questions asked in evidence in-chief that are going to be  
26 talking about planning horizons, because it's going to be  
27 Hydro One's evidence in-chief that what we have here is two  
28 different utilities who planned to serve the same growth in

1 the same area, with one of those LDCs being the licensed  
2 LDC and the other LDC not being licensed.

3 So as not to take you by surprise -- and this is my  
4 only opportunity to put this to the witnesses here -- I am  
5 trying to find out what Horizon believes is the planning  
6 Horizon that should be used for an LDC to serve its own  
7 territory and whether it was reasonable of either one,  
8 either of these two utilities, to be planning to serve  
9 growth in the same area.

10 MR. O'LEARY: Madam Chair, if I may, on a matter, I  
11 think, of some significance here. My friend is  
12 foreshadowing his evidence in-chief, and it sounds like  
13 there is going to be a good deal of evidence in-chief which  
14 should have been produced either in his pre-filed evidence  
15 or in their interrogatory responses.

16 And I intend to walk the panel through a number of  
17 their non-responses, including the request for this earlier  
18 planning documentation, any earlier iterations of this  
19 planning document, any earlier plans, studies, cost  
20 estimates, comparisons, anything, and nothing was produced.

21 So if my friend is now going to go and expect that he  
22 will now be able to pull up a number of documents which  
23 should have been filed in response to our interrogatory  
24 requests and use that in-chief, I am also indicating that  
25 we would have a problem with that and would object, because  
26 it appears that, at least based upon what's been received  
27 so far, there are no earlier planning documents which  
28 relate to this "Binbrook loop".

1 MR. ENGELBERG: Madam Chair, Hydro One isn't planning  
2 to produce any such additional documents in-chief, so I am  
3 not misleading the panel in any way. There is no taking by  
4 surprise. That has always been Hydro One's position.

5 MS. LERETTE: Can I just add a point to -- as far as  
6 the Horizon 27.6 line along Rymal Road that stretches to  
7 Highway 20, that line really services the abundant growth  
8 on the north side of Rymal Road, was not built just to  
9 service Summit Park 7, by any means.

10 MR. ENGELBERG: Hydro One is not making that  
11 allegation.

12 MR. FREEMAN: You suggested we were planning for both  
13 utilities, and we weren't. That was for our own need. It  
14 was quite -- it's quite common for a utility to serve its  
15 need along a major road like that.

16 MR. ENGELBERG: I am referring for future expansion,  
17 particularly the parts covered in 1 through V of this  
18 application.

19 MS. CONBOY: It sounds like what you're saying, Mr.  
20 Engelberg, that it appears that there are two utilities who  
21 are planning their expansion for the same spot, is what I  
22 am understanding your position to be.

23 So I think, to go back to your question about the  
24 planning horizon, rather than using it in terms of what  
25 should an LDC's planning horizon be, and whether it should  
26 be for their -- out to their service territory, perhaps we  
27 could ask the question about Horizon's approach to  
28 planning, and do they plan their distribution system to go

1 out to the boundaries of their service territory or beyond.  
2 And I think that is what you are trying to get at.

3 MR. ENGELBERG: Thank you. And I thought I asked  
4 that, Madam Chair, but I appreciate your restating it.

5 MS. CONBOY: Okay. So let's use -- let's get the  
6 answer from Horizon's perspective, as opposed to what  
7 generally distributors should be doing in Ontario.

8 MS. LERETTE: So I would say that we plan to service  
9 all areas of our service territory, but there may be  
10 occasions where at the limits of your service territory  
11 there are no customers imminently there.

12 And so the planning horizon will depend on when the  
13 load is expected to arise. We are not going to build a  
14 pole line to the edge of our service territory if we're not  
15 expecting a customer for 20 years. That is a waste of  
16 money. So it is dependent on when the load is going to  
17 materialize.

18 MR. ENGELBERG: Thank you.

19 Now, I would like to ask a few questions of Mr.  
20 Burman. Mr. Burman, is it fair to say that you make some  
21 statements in your report about the Hydro One assets in the  
22 area of the service-area amendment application?

23 MR. BURMAN: Some statements?

24 MR. ENGELBERG: Yes.

25 MR. BURMAN: About?

26 MR. ENGELBERG: About the Hydro One assets in the area  
27 of the service-area amendment application.

28 MR. BURMAN: Yes. Yes.

1 MR. ENGELBERG: Did you contact Hydro One prior to  
2 writing your report?

3 MR. BURMAN: No.

4 MR. ENGELBERG: How could you be sure that your  
5 description of the assets and the plans was correct, then?

6 MR. BURMAN: I can see them on my site visit.

7 MR. ENGELBERG: So you saw only what was present on  
8 the ground when you went there?

9 MR. BURMAN: That's correct.

10 MR. ENGELBERG: Okay. Now, is there any reason why  
11 you didn't contact Hydro One to find out what Hydro One's  
12 plan was for the area?

13 MR. BURMAN: It wasn't part of the scope of my  
14 undertaking.

15 MR. ENGELBERG: What was the scope of your  
16 undertaking?

17 MR. BURMAN: My scope of undertaking, if I can read  
18 it: to conduct an independent assessment of the  
19 electricity distribution system serving commercial and  
20 residential loads in proximity to the customer locations  
21 identified and to provide opinion, with supporting  
22 analysis, the best way to serve existing and new loads.

23 MS. BUTANY-DeSOUZA: Sorry, for the Board, that was --  
24 Board's reference, that was page 5 of the Burman report.

25 MR. ENGELBERG: How many years has it been since you  
26 have had access to Hydro One planning documents, Mr.  
27 Burman?

28 MR. BURMAN: Planning documents? Ten years, plus.

1 MR. ENGELBERG: At page 7 of your report, you say that  
2 the only system expansion work of relevance undertaken by  
3 Hydro One is Hydro One's initiation of work on a new 27.6  
4 kV supply line commencing at the M3/M4 feeders tracking  
5 east along Rymal Road on the south side. Is that correct?

6 MR. BURMAN: Sorry, can you repeat the question,  
7 please?

8 MR. ENGELBERG: At page 7, you say that the only  
9 system expansion work of relevance undertaken by Hydro One  
10 is Hydro One's initiation of work on a new 27.6 kV supply  
11 line commencing at the M3/M4 feeders tracking east along  
12 Rymal Road East on the south side.

13 MR. BURMAN: And the question is?

14 MR. ENGELBERG: Is that correct?

15 MR. BURMAN: It's the only relevance that there is to  
16 Summit Park 7.

17 MR. ENGELBERG: Well, you refer to the same  
18 construction at the top of page 21 of your report.

19 MR. BURMAN: Yes.

20 MR. ENGELBERG: And then if I could take you to page  
21 23, second paragraph, you refer to:

22 "No further development or extension of the Hydro  
23 One 8.32/4.8 kV system is apparent."

24 And you go on to say that extension of the 27.6 kV  
25 supply to new and future customers would appear to be  
26 preferred.

27 Is that an accurate statement of your belief?

28 MR. BURMAN: Yes.



1 MR. ENGELBERG: When you wrote those words, having  
2 said that you could only report on what you saw on the  
3 ground at the time you went there prior to writing your  
4 report, were you aware that the 27.6 kV Hydro One feeder --  
5 Hydro One feeder that you mentioned earlier is being built  
6 to Binbrook?

7 MR. BURMAN: I don't understand the relevance.

8 MR. ENGELBERG: I'm not asking whether you understand  
9 the relevance. I want to know, when you wrote the words,  
10 were you aware that the 27.6 kV feeder, whose construction  
11 commencement you saw --

12 MS. CONBOY: Mr. Freeman.

13 MR. ENGELBERG: -- is being built all the way to  
14 Binbrook.

15 MS. CONBOY: Mr. Freeman, I'm sorry, but you have  
16 offered Mr. Burman as an expert witness and I would  
17 appreciate if you would let him answer his own questions,  
18 please.

19 MR. FREEMAN: I apologize.

20 MR. BURMAN: Sorry. Would you please repeat the  
21 question?

22 MR. ENGELBERG: When you saw the 27.6 kV feeder under  
23 construction and you wrote your report --

24 MR. BURMAN: Yes.

25 MR. ENGELBERG: -- and you told us a few minutes ago  
26 you could only report on what you actually saw on the  
27 ground when you went there --

28 MR. BURMAN: Right.

1 MR. ENGELBERG: -- because you didn't contact Hydro  
2 One --

3 MR. BURMAN: That's correct.

4 MR. ENGELBERG: -- were you aware that the 27.6 kV  
5 feeder tie was being built by Hydro One all the way to  
6 Binbrook?

7 MR. BURMAN: I did not know that, but wouldn't have  
8 thought that was in the remotest way possible or would meet  
9 up with appropriate planning criteria to go that route, to  
10 pick up the Binbrook load. It didn't seem logical to me.

11 MR. ENGELBERG: Is it your belief that the load growth  
12 in Binbrook doesn't merit a 27.6 kV loop feed, or is it for  
13 some other reason?

14 MR. BURMAN: No. I think it was not clear in terms of  
15 the need for loop feed to Binbrook, first of all.

16 Second of all, even if it was, it would be not my  
17 choice of locations of running that or routing for that  
18 particular circuit. It would be the last choice, in my  
19 mind, to route it that way in order to pick up Binbrook  
20 load.

21 MR. ENGELBERG: Well, you will be hearing from the  
22 Hydro One witnesses as to why it was done that way, but  
23 would you agree that Horizon's design also includes a loop  
24 feed?

25 MR. BURMAN: I'm sorry?

26 MR. ENGELBERG: Does Horizon's design for its system  
27 also include a loop feed?

28 MR. BURMAN: I'm not sure.

1 MS. LERETTE: Yes, our system is loop fed.

2 MR. ENGELBERG: Thank you. Does Summit Park phase 7  
3 require a loop feed, whoever serves it, whichever of the  
4 two utilities?

5 MS. CONBOY: Are you directing this at anybody in  
6 particular, Mr. Engelberg?

7 MR. ENGELBERG: No.

8 [Witness panel confers]

9 MS. LERETTE: So our system already has a loop feed  
10 and we would service Summit Park 7 through that loop feed,  
11 and there is another loop within that subdivision, as well.

12 MR. ENGELBERG: Thank you. Now, Mr. Burman, back to  
13 you, I referred you a few minutes ago to some excerpts from  
14 your report.

15 How are you able to conclude that it's Hydro One's  
16 plan to serve some of the customers in this area with an  
17 8.32 kV feeder rather than with a 27.6 kV feeder?

18 MR. BURMAN: In the absence of a 27.6 existing -- 27.6  
19 kV feeder in existence, the only thing I had to conclude  
20 was that the plan was to feed at 8.32.

21 MR. ENGELBERG: So you are taking me back, then, to  
22 what you saw on the ground when you wrote your report?

23 MR. BURMAN: Right.

24 MR. ENGELBERG: Thank you. Do any of the members of  
25 the panel have any knowledge of what Hydro One calls the  
26 load growth in the Binbrook area and in the industrial park  
27 along Rymal Road, which, like Binbrook, is also inside  
28 Hydro One's service territory?

1 MR. FREEMAN: I think you need to be more specific  
2 about the industrial area. You are mentioning an  
3 industrial area at Alfreda.

4 MR. ENGELBERG: Yes. Well, without limiting it to --

5 MR. FREEMAN: Let's stick with Alfreda. The place is  
6 fully built out, so whatever load is there would be the  
7 ongoing load, it would have, you know, incremental marginal  
8 growth.

9 There is no undeveloped land, so to speak, at Alfreda.

10 MR. ENGELBERG: My question that I asked wasn't  
11 limited to the industrial park. I started out by referring  
12 to the load growth in the Binbrook area, and I am wanting  
13 to know whether anyone on the witness panel has any  
14 knowledge of what Hydro One's prefiled evidence and  
15 materials have referred to as the load growth in the  
16 Binbrook area. Do you have any idea as to how much that  
17 growth is, what the anticipated load there is, how many  
18 customers there are, whether there's an urban cluster; any  
19 of those matters?

20 MR. BURMAN: The only thing that would -- the only  
21 information that was referenced, to my knowledge, in the  
22 study area was 1.8 percent load growth in areas where it  
23 was otherwise specified, like the Red Hill Business Park.

24 MS. CONBOY: But my understanding, Mr. Engelberg, are  
25 you talking about part V now, as well? You are talking  
26 about the complete phase 7, parts I to V, or are you  
27 restricting it to certain areas?

28 MR. ENGELBERG: I am restricting it to the end of the

1 line in Binbrook.

2 MS. CONBOY: Thank you.

3 MR. ENGELBERG: And along the route to get to Binbrook  
4 past parts I through V.

5 MS. CONBOY: Thank you. But I think Mr. Burman  
6 answered the question.

7 MR. FREEMAN: I think just to add, the route that is  
8 along has the Summit Park development and the rest runs  
9 through a rural area about five or ten kilometres. And  
10 Binbrook is actually part of Hamilton's urban official  
11 plan, and, as Mr. Burman has noted - you have written  
12 yourself - it was 1.8 percent load growth.

13 MR. ENGELBERG: Thank you. Now, Ms. Lerette, I wanted  
14 to take you back to something you said earlier today.

15 I believe I heard you say that Hydro One's 35-foot  
16 poles are sub-standard, and I wonder if you could tell me  
17 whose standard that is that you are referring to.

18 MS. LERETTE: Well, I can tell you that from Horizon's  
19 perspective and our construction distribution standards,  
20 that would be sub-standard.

21 We did request Hydro One's standards, but we noticed  
22 in the overhead section the first -- there were three  
23 sections up front that were missing on how to -- on the  
24 guidelines how to use these standards.

25 So we tried to look up Hydro One's standards, but I  
26 think we were missing some information to be able to do  
27 that.

28 MR. ENGELBERG: Okay. So to be fair, you were

1 referring to Horizon's standards?

2 MS. LERETTE: When I made that comment I was referring  
3 to our standards.

4 MR. ENGELBERG: Thank you.

5 Doesn't Horizon have 27.6 kV lines on 35-foot poles  
6 elsewhere in its system?

7 MS. LERETTE: We may have old Legacy equipment, but  
8 since Regulation 22.04 and the new construction standards  
9 we do not build them like that.

10 MR. ENGELBERG: Thank you.

11 All right. Now, in Horizon's response to Hydro One  
12 Interrogatory No. 15, if we could go there.

13 MS. CONBOY: Please go ahead, Mr. Engelberg.

14 MR. ENGELBERG: Thank you. In that response Horizon  
15 stated that it included the load forecast in the area of  
16 parts I, IV, and V of this service-area amendment  
17 application in the TS upgrade project; is that correct?

18 MS. LERETTE: That's correct.

19 MR. ENGELBERG: Did Horizon inform Hydro One  
20 Distribution and Hydro One Transmission that Horizon was  
21 including a load forecast within Hydro One territory when  
22 discussing the appropriate contributions for the  
23 transformer station upgrade?

24 MS. LERETTE: No. We just provided our load forecast  
25 information to Hydro One.

26 MR. ENGELBERG: And it included three parts of this  
27 application?

28 MS. LERETTE: It included some parts of some of part

1 7, because we have already gone through ten or 11  
2 applications and are feeding the majority of that space  
3 now, and so we included some load growth for that in the  
4 future.

5 MR. ENGELBERG: Are you saying that you were assuming  
6 that you would be awarded Summit Park, Phase 7?

7 MS. LERETTE: No. I would say from a planning  
8 perspective it would be irresponsible for us not to include  
9 some load growth, considering the number of service-area  
10 amendments we have already been successful in.

11 MR. ENGELBERG: What other parts of this application  
12 had a load forecast that you included when asking for the  
13 TS upgrade project?

14 My understanding, and what I just said to you a few  
15 minutes ago, was that you included the load forecast in  
16 parts I, part IV, and part V.

17 MS. LERETTE: Yes. That is what our answer says.

18 MR. ENGELBERG: Thank you.

19 In relation to that Horizon response, can you tell me  
20 how much load growth that Horizon planned for in its long-  
21 term load forecast was within Hydro One's territory and how  
22 much is in Horizon's territory?

23 MS. LERETTE: I couldn't specifically tell you that  
24 right now, because it's a mixture of both. Most of the  
25 load growth is in our own service territory for those --  
26 both of those Nebo feeders.

27 So we load forecast for a constant load growth of a  
28 quarter of a percent, and then where we have -- we utilize

1 the City planning maps and subdivision development maps for  
2 that mountain area to determine load growth in the shorter-  
3 term so we know these loads are going to materialize.

4 MR. ENGELBERG: I would like an undertaking to find  
5 out how much of the load growth that Horizon planned for in  
6 its long-term load forecast was within Hydro One's  
7 territory and how much was within Horizon's territory.

8 MS. LERETTE: Okay.

9 MS. HELT: That then will be Undertaking J1.2.

10 MS. CONBOY: Thank you.

11 **UNDERTAKING NO. J1.2: TO FIND OUT HOW MUCH OF THE**  
12 **LOAD GROWTH THAT HORIZON PLANNED FOR IN ITS LONG-TERM**  
13 **LOAD FORECAST WAS WITHIN HYDRO ONE'S TERRITORY AND**  
14 **HORIZON'S TERRITORY**

15 MR. ENGELBERG: And as an adjunct of that, I would  
16 like to know, of the load-growth figure that you give me  
17 that you planned for within Hydro One's territory, how much  
18 was in the Hydro One territory covered by this application  
19 and how much was within other parts of Hydro One's service  
20 territory.

21 MS. LERETTE: You mean outside the parts I to V?

22 MR. ENGELBERG: Outside parts I to V.

23 MS. LERETTE: None. I can tell you that. None.

24 MR. ENGELBERG: Thank you.

25 Does Horizon agree that one or the other of these two  
26 LDCs is going to have a higher contribution to pay Hydro  
27 One Transmission because of the duplicated planning by the  
28 adjacent LDC? It seems like both LDCs included part of



1 this load.

2 [Witness panel confers]

3 MS. LERETTE: I don't think I can agree or disagree.  
4 I think it's -- the load is the -- the load forecast is  
5 planned on what we know as of today and when we do the  
6 planning for Nebo TS upgrade, and those plans sometimes  
7 change, but we have -- the most of the load that we're  
8 forecasting at Nebo TS is -- the majority of it is in our  
9 service territory, so...

10 MR. ENGELBERG: But I'm talking about the rest of it  
11 that you mentioned, the part that is inside Hydro One's  
12 service territory.

13 MS. LERETTE: In parts I to V?

14 MR. ENGELBERG: Yes.

15 MS. LERETTE: Mm-hmm. Well, I'm going to give you an  
16 undertaking, but I think he is asking me a different  
17 question.

18 MR. ENGELBERG: No. I'm not asking you how much now.  
19 We already have that undertaking. But I'm asking you now  
20 whether Horizon agrees that one or the other LDC is going  
21 to have a higher contribution to pay to Hydro One  
22 Transmission due to the duplicated planning by the adjacent  
23 LDC. They were both planning --

24 MS. LERETTE: Yes.

25 MR. ENGELBERG: -- for load growth, the same load  
26 growth. Hydro One was planning for it because it was its  
27 service territory, and Horizon was planning for it even  
28 though it was in Hydro One's service territory.

1 MS. LERETTE: It could be, depending on, if there's  
2 other load in the other areas that will offset that or not.

3 MR. ENGELBERG: I'm sorry. It could be what?

4 MS. LERETTE: Well, if I'm planning for it and Hydro  
5 One can exit, I may have load in other areas of my service  
6 territory that may offset that. It's going to depend on  
7 what the actual load is.

8 MR. ENGELBERG: But assuming that things remain the  
9 same, does Horizon agree that one or the other LDC is going  
10 to have a higher contribution to pay to Hydro One  
11 Transmission because of the duplicated planning? It is not  
12 a difficult question.

13 [Witness panel confers]

14 MS. LERETTE: Yes, I think at the end of the day, if  
15 we both forecasted the load and one utility it doesn't  
16 materialize for, there may be -- if the load does not  
17 materialize, then one may be required to pay a higher  
18 capital contribution.

19 MR. ENGELBERG: By "if the load doesn't materialize"  
20 you mean if it doesn't materialize within that LDC's  
21 service territory.

22 MS. LERETTE: Yes.

23 MR. ENGELBERG: Thank you.

24 Mr. Roberge, I have a few questions for you. I would  
25 like to take you to the document brief that everybody  
26 received from Horizon last night; specifically, the cost  
27 comparison on the front of page 2.

28 Is everyone there? It is entitled "Summit Park 7

1 comparison of costs to serve, updated".

2 Mr. Roberge, on line 6 you included \$538,900 as your  
3 estimate of your contestable costs; is that correct?

4 MR. ROBERGE: That is correct.

5 MR. ENGELBERG: How was the number derived?

6 MR. ROBERGE: From Hydro One's evidence.

7 MR. ENGELBERG: Thank you. So that is Hydro One's  
8 cost.

9 Now, earlier in your testimony you said that there are  
10 fundamental differences in the layout and construction of  
11 phase 7. Do you recall saying that?

12 MR. ROBERGE: Just to clarify, you said those were  
13 Hydro One's costs. Those were the -- Hydro One's -- they  
14 were the costs provided to Hydro One by the developer's  
15 contractor.

16 MR. ENGELBERG: I understand.

17 MR. ROBERGE: Okay.

18 MR. ENGELBERG: Earlier in your testimony you said  
19 that there are fundamental differences in the layout and  
20 construction of phase 7. Do you recall saying that?

21 MR. ROBERGE: The differences I was referring to is  
22 what we call contestable and which you call contestable,  
23 meaning Hydro One.

24 MR. ENGELBERG: Given there is a difference between  
25 those two, does Horizon simply accept the number provided  
26 by Hydro One as Horizon's own?

27 MR. ROBERGE: Yes, because those costs would have been  
28 common by the contractor from the developer. It would be

1 the same trenching, the same civil work.

2 MR. ENGELBERG: They don't include any different items  
3 at all?

4 MR. ROBERGE: From the evidence we have, no.

5 MR. ENGELBERG: Are you aware of what Hydro One  
6 includes in its items and whether there is a difference in  
7 the practice at Horizon?

8 MR. ROBERGE: What we did do is make an adjustment for  
9 direct buried cable, but that was it.

10 MR. ENGELBERG: Okay, thank you. Now, I would like to  
11 try to determine what Horizon's cost is to connect phase 7.

12 If I could take you to appendix 3 of Horizon's updated  
13 service area amendment application dated August 10th, that  
14 is Horizon's revised offer to connect.

15 MR. ROBERGE: Yes.

16 MR. ENGELBERG: If you would please turn to page 3,  
17 Mr. Roberge?

18 MR. ROBERGE: Yes.

19 MR. ENGELBERG: What is Horizon's estimate of  
20 Horizon's total project costs listed at the top of the  
21 page?

22 MS. CONBOY: Sorry, can you give us a minute, please?

23 MR. ENGELBERG: Sorry.

24 MS. HELT: Mr. Engelberg, is that the revised offer  
25 dated July 12, 2012 -- or July 27th, I'm sorry?

26 MR. ENGELBERG: I think it is dated August 10th. I'm  
27 sorry, if I could have a moment, I'll be able to help you.

28 MS. CONBOY: Yes, please.

1 MR. ENGELBERG: It is dated the 27th day of July 2012.  
2 My friend Mr. Stoll has kindly helped me. And at the  
3 bottom, the footer is: Multi-service connection cost  
4 agreement June 2011.

5 MS. SPOEL: So that is the Hydro One agreement?

6 MS. CONBOY: No.

7 MR. ENGELBERG: No. I'm sorry. The Panel is correct.  
8 It's the Hydro One.

9 MS. SPOEL: We have one that is dated -- they're both  
10 July 27th. That is the problem.

11 MR. ENGELBERG: It is Horizon's offer to connect.

12 MS. CONBOY: Attention Mr. Steve Spicer, July 27th,  
13 2012?

14 MR. ENGELBERG: Yes, that's it, Madam Chair. Thank  
15 you very much.

16 Do you have that, Mr. Roberge?

17 MR. ROBERGE: Yes.

18 MR. ENGELBERG: What is Horizon's estimate of its  
19 total project costs listed at the top of the page?

20 MR. ROBERGE: You said page 3, and there is no --

21 MR. ENGELBERG: Well, it is numbered page 2, but it is  
22 the third page 3, if you count the cover.

23 MR. ROBERGE: Okay. The total project cost is  
24 \$1,522,723.

25 MR. ENGELBERG: Thank you. Now, was this updated for  
26 the updated service area amendment application filed on  
27 December 17th?

28 MR. ROBERGE: Okay, let me see.

1 [Witness panel confers]

2 MR. ROBERGE: It wasn't revised for December 17th, no.

3 MR. ENGELBERG: I'm sorry, I didn't hear the first  
4 part.

5 MR. ROBERGE: Your question, if you -- well, why don't  
6 you repeat your question and make sure I am answering the  
7 right question?

8 MR. ENGELBERG: Was the amount of 1,522,723 updated  
9 for the updated SAA filed on December 17th?

10 MR. ROBERGE: I don't see any revised filing for part  
11 I on December 17th.

12 MR. ENGELBERG: Thank you. That's fine. So it  
13 remained at \$1.5 million.

14 Well, let me take you now to the Horizon interrogatory  
15 response to Board Staff Interrogatory No. 7. Are you  
16 there?

17 On page 3 of that response, you have a table that  
18 looks very similar to the one filed last night that appears  
19 at tab 1 in the document brief. And just below line 8 in  
20 the row entitled "Totals", what is Horizon's estimate of  
21 Horizon's cost to complete the project?

22 MR. ROBERGE: It says 1,317,169, but that would be for  
23 option A where Horizon constructs, and we know that the  
24 developer is constructing this development.

25 MR. ENGELBERG: Does that explain the entire amount of  
26 the difference between the 1.3 million and the 1.5 million?

27 MR. ROBERGE: No. We had revised our estimate as per  
28 the interrogatory to remove a portion -- it would be an

1 adjustment, so we could compare apples to apples.

2 So instead of having our cables in ducts, we would be  
3 direct burying them like the offering from Hydro One.

4 MR. ENGELBERG: Thank you. Now, if you go back to the  
5 comparison sheet filed last night in the document brief --

6 MR. ROBERGE: Yes.

7 MR. ENGELBERG: -- from Horizon, in row 7 where it  
8 says "Subtotal", what is Horizon's estimate of its costs to  
9 complete the project?

10 MR. ROBERGE: 1,089,646.

11 MR. ENGELBERG: Okay. So if you could help me, we now  
12 have three different numbers. What was included or not  
13 included in the 1.089 million to result in the reduction  
14 from \$1.317 million?

15 MR. ROBERGE: There was a few things. One of the  
16 costs that we have mentioned already was \$50,000 connection  
17 cost to reach from Summit 7 to our closest feeder.

18 Now, this work was completed as part of a different  
19 CCRA that we entered with Multi-Area. So we removed it  
20 from these costs, because it's no longer required.

21 So basically, the number changed as we were getting  
22 more information, and it is more relevant to actuals.

23 MR. ENGELBERG: Well, I calculate the difference as  
24 approximately \$228,000, and you just explained 50,000 of  
25 it. Can you help me with the rest of it?

26 MR. ROBERGE: You're comparing two different options.  
27 One of them is Option A, where Horizon construct, and you  
28 want me to compare where the developer constructs. So

1 we're not really comparing the same numbers.

2 MR. ENGELBERG: I thought that was the difference  
3 between the first number of 1.5 million and the second  
4 number of 1.3 million. Is it also the explanation for the  
5 difference between the 1.3 million and the 1.089 million?

6 MR. ROBERGE: The Table A shows an estimate as if  
7 Horizon was going to construct it. And now we have actual  
8 numbers from Hydro One's evidence, and also an adjustment  
9 that we've made to have an apples-to-apples comparison.  
10 That's why the number changed.

11 MR. ENGELBERG: That's why it changed all three times,  
12 or just between two and three?

13 MR. ROBERGE: Your first set of numbers was not  
14 relevant, because we weren't comparing the same option.

15 MR. ENGELBERG: Yes.

16 MR. ROBERGE: Okay. And as information became  
17 available, so we can do a better comparison with Hydro  
18 One's offering. This is why we finally had enough  
19 information to put this table with the information we have.

20 MR. ENGELBERG: Thank you.

21 Now, you just mentioned the \$50,000. Would you please  
22 take a look at Horizon's response to Hydro One and Board IR  
23 No. 7. I think they were both IR No. 7.

24 MR. ROBERGE: Okay. Which one do you want me to look  
25 at?

26 MR. ENGELBERG: Either one, or both.

27 MR. ROBERGE: Okay. I am with -- I've got Board Staff  
28 7 in front of me.



1 MR. ENGELBERG: Okay. My understanding, if you agree,  
2 is that Horizon's responses refer to an agreement that  
3 Horizon entered into with Multi-Area Developments for a new  
4 seven-home development south of Rymal Road East on the west  
5 side of Fletcher; is that correct?

6 MR. ROBERGE: Yes, but that is not covered in Board  
7 Staff 7.

8 MS. LERETTE: Just the 50,000.

9 MR. ROBERGE: Yes, just the 50,000.

10 MR. ENGELBERG: Okay. Well, Horizon indicates that  
11 this development work that needs to be undertaken accounts  
12 for the \$50,000 cost for what was entitled "subdivision  
13 connection costs uncontestable" in the offer to connect for  
14 Summit Park, Phase 7; is that correct?

15 MR. ROBERGE: It was originally included, yes. It was  
16 in Summit 7.

17 MR. ENGELBERG: Can you explain what that work is and  
18 how it is related to both the new seven homes, as well as  
19 to Summit Park, Phase 7?

20 MR. ROBERGE: Yes. We have been doing many  
21 developments for Multi-Area in the entire Summit project.  
22 So when we do our planning, we do it in such a fashion that  
23 the interconnection between one phase to the other provides  
24 good reliability and connectivity, and so we knew we needed  
25 an extension from Rymal, going south on Fletcher, and since  
26 this development came first, that's why it was done on this  
27 development.

28 MR. ENGELBERG: Was a loop feed with the connection

1 point off Fletcher Road south of Rymal near the new seven-  
2 home development part of the original design for Summit  
3 Park, Phase 7, before Horizon removed seven-home  
4 development from the offer to connect?

5 MR. ROBERGE: What did you just say about the seven  
6 homes?

7 MR. ENGELBERG: Well, I will repeat the whole thing.  
8 Was a loop feed with a connection point off Fletcher Road -

9 MR. ROBERGE: Mm-hmm.

10 MR. ENGELBERG: -- south of Rymal near the new seven-  
11 home development part of the original design for Summit  
12 Park, Phase 7 before these seven homes were removed from  
13 the offer to connect?

14 MR. ROBERGE: That was our plan, to come south at  
15 Fletcher, yes.

16 MR. ENGELBERG: So it was part of the original.

17 MR. ROBERGE: Yes, it was.

18 MR. ENGELBERG: Do you have schematic drawings for the  
19 expansion work related to Summit Park, Phase 7, both before  
20 and after Horizon removed the new seven-home development?

21 MR. ROBERGE: What do you mean by "remove"?

22 MR. ENGELBERG: Well, I understood you to say that it  
23 was part of the original proposal and then you removed  
24 those seven homes. Do I have that wrong?

25 MR. ROBERGE: Yes.

26 MR. ENGELBERG: Okay. Can you correct me? Can you  
27 tell me what happened with the seven homes?

28 MR. ROBERGE: The seven homes were a stand-alone

1 development from Multi-Area in our service territory.

2 MR. ENGELBERG: Okay. So they were never part of the  
3 original design for Summit Park, Phase 7?

4 MR. ROBERGE: No.

5 MR. ENGELBERG: Thank you.

6 MR. O'LEARY: I wonder if I could just -- to try and  
7 straighten out, my understanding is the homes that we're  
8 talking about, the seven homes, are on the west side of  
9 Fletcher, which is Horizon's service territory, and then  
10 they were never part of Summit Park 7.

11 But as Ms. Lerette said, there was work done down the  
12 west side of Fletcher Road, and now that that work has been  
13 completed, the \$50,000 cost, which would have been  
14 necessary if the other seven homes hadn't been connected  
15 and built, would have been included in the Summit Park,  
16 Phase 7, but now that it is done, it is out.

17 MR. ENGELBERG: I understand that from what Mr.  
18 Roberge has now said.

19 MR. O'LEARY: Okay.

20 MR. ENGELBERG: An agreement was made with Multi-Area  
21 in the fall of 2012; is that correct? The agreement about  
22 the seven homes?

23 MR. ROBERGE: Yes.

24 MR. ENGELBERG: I didn't see it in Horizon's evidence  
25 filed on December 17th. As far as I am aware, we didn't  
26 see it until interrogatory responses.

27 Is there any reason why it wasn't included earlier?  
28 Had it not been consummated, or was there an issue with

1 that?

2 MR. ROBERGE: It's part of regularly serving our  
3 territory, and the only relevance it had was why we removed  
4 \$50,000.

5 MR. ENGELBERG: Thank you.

6 When is construction on those houses expected to  
7 begin?

8 MR. ROBERGE: I would refer to Mr. Spicer to give us  
9 the exact date, but our mandate was to have the  
10 distribution ready in December or January time frame.

11 MR. ENGELBERG: Thank you.

12 I don't have much more, and in view of the fact that  
13 it is 4:35, that's a good thing.

14 MS. CONBOY: Thank you. We still have Board Staff to  
15 go, though, too.

16 MR. ENGELBERG: My understanding is that Horizon says  
17 that Hydro One should not add load to the M5 until after  
18 the Nebo TS upgrade; is that correct?

19 MS. LERETTE: Yes, due to the capacity constraints at  
20 Nebo TS.

21 MR. ENGELBERG: Thank you.

22 I would like to ask -- I don't know whether it would  
23 be you, Ms. Lerette, or perhaps Mr. Burman. He mentioned  
24 LTR, which I understand means "limited time rating".

25 Could you tell me what is your definition of the ten-  
26 day limited time rating?

27 MR. BURMAN: It's a limit to the capacity of the  
28 transformer -- transformers at the transmission station.

1 MR. ENGELBERG: Does that mean it cannot be exceeded?  
2 In other words, what does the word "ten-day" modifier add  
3 to or subtract from the meaning of LTR?

4 MR. BURMAN: My understanding, it is over a shortened  
5 period of time, which can be exceeded, and in rare  
6 occasions where it is limited in its time frame. So over a  
7 ten-day period, and that could be exceeded, let's say.

8 MR. ENGELBERG: Thank you.

9 I would like to ask a few questions about parts II and  
10 III. Does Horizon recognize that Hydro One is serving its  
11 three customers in part II and all of the customers in part  
12 III and has done so for years?

13 MS. BUTANY-DeSOUZA: Yes.

14 MR. ENGELBERG: What kinds of properties are included  
15 in part III? What I am getting at is, are you asking only  
16 for existing customers of Hydro One, or are you also asking  
17 for vacant land?

18 MS. BUTANY-DeSOUZA: We've identified the properties  
19 that we were seeking in the evidence that we've filed.  
20 They constitute both residential, commercial and what's  
21 currently vacant land.

22 MR. ENGELBERG: Does Horizon recognize that Hydro One  
23 can serve the seven residential customers, the three  
24 commercial customers and the two vacant lots with its 27.6  
25 kV feeder tie?

26 MS. BUTANY-DeSOUZA: Well, it's doing it with the 8 kV  
27 line now, as you identified.

28 MR. ENGELBERG: So what is your answer?

1 MS. BUTANY-DeSOUZA: If --

2 MR. ENGELBERG: Would there be any problem for Hydro  
3 One?

4 MS. BUTANY-DeSOUZA: Based on the evidence that Hydro  
5 One has filed that the reason for this line is the feed to  
6 Binbrook and if that was ultimately the route it went,  
7 then, yes.

8 But as we have asserted in other evidence, that is not  
9 the best route, if that was the intent of the line.

10 MR. ENGELBERG: Thank you.

11 Now, I notice several times in your evidence, Ms.  
12 Butany-DeSouza, you referred to these customers as legacy  
13 customers, and what I am putting to you is that Hydro One  
14 doesn't have any customers that it calls legacy customers.

15 It has over 1.2 million customers all over the  
16 province. It doesn't refer to them as legacy or non-  
17 legacy.

18 Does Horizon refer to any of its customers as legacy  
19 customers?

20 MS. BUTANY-DeSOUZA: No. Actually, what we referred  
21 to them as was legacy outposts, and they're identified as  
22 such because they are, in some cases, almost entirely  
23 embedded geographically in Horizon's service territory, and  
24 that's why they're indicated as such.

25 MR. ENGELBERG: But they're not entirely embedded, are  
26 they? You said "almost".

27 They do form part of Hydro One's service territory and  
28 border other parts of Hydro One's service territory, do

1 they not?

2 MS. BUTANY-DeSOUZA: Sorry. Save for the area in  
3 question for Summit Park phase 7, the Fletcher Road  
4 customers are, except for one side, fully embedded in  
5 Horizon's service territory.

6 MR. ENGELBERG: Well, "except for one side" means they  
7 are not fully embedded; right?

8 MS. BUTANY-DeSOUZA: Right. With that exception, yes.

9 MR. ENGELBERG: Okay. Now, you stated several times  
10 in your evidence this morning that Horizon wants to serve  
11 these customers in order to leverage its assets; is that  
12 correct?

13 MS. BUTANY-DeSOUZA: Yes, I did say that.

14 MR. ENGELBERG: Do you understand that Hydro One also  
15 wants to continue serving these customers in order to  
16 leverage its assets?

17 MS. BUTANY-DeSOUZA: That wasn't my understanding,  
18 actually. At the time that we were putting together part  
19 II of this application, certainly we had a request from  
20 Hydro One through Multi-Area developments to take the  
21 legacy customers on Fletcher Road, which constitutes part  
22 II of this application.

23 MR. ENGELBERG: I am referring to part II and III.

24 MS. BUTANY-DeSOUZA: Okay.

25 MR. ENGELBERG: I'm talking about the seven  
26 residential customers, three commercial and two vacant  
27 lots.

28 MS. BUTANY-DeSOUZA: As well as the three customers on

1 Fletcher Road.

2 MR. ENGELBERG: Will Hydro One not be leveraging its  
3 assets by serving these customers?

4 MS. BUTANY-DeSOUZA: Well, there aren't. They would  
5 have to build because of the cleanup of the streetscape on  
6 Fletcher Road.

7 MR. ENGELBERG: You're referring to part II.

8 MS. BUTANY-DeSOUZA: Yes, I am.

9 MR. ENGELBERG: Let's look at part III.

10 MS. BUTANY-DeSOUZA: Okay, let's look at part III.

11 MR. ENGELBERG: Do you recognize Hydro One will be  
12 leveraging its assets by continuing to serve these seven  
13 residential customers, three commercial customers and two  
14 vacant lots?

15 [Witness panel confers]

16 MS. BUTANY-DeSOUZA: In the case of part III, it is  
17 currently serving those customers.

18 MR. ENGELBERG: That is not my question.

19 Do you recognize that Hydro One will be leveraging its  
20 assets by continuing to serve those customers?

21 MS. BUTANY-DeSOUZA: Yes.

22 MR. ENGELBERG: Thank you. A letter has been filed by  
23 Horizon in the prefiled evidence at page 27 of 29 as part  
24 II, attachment 5. If I could get you to look at that?

25 MS. BUTANY-DeSOUZA: Bear with me a second.

26 MR. ENGELBERG: Thank you.

27 MS. BUTANY-DeSOUZA: Yes, I have it. Oh, sorry.

28 MR. ENGELBERG: Do the Panel members have it?



1 MS. CONBOY: Not yet. We have become a little  
2 dependent on somebody who is putting it up on the screen  
3 for us. So part II, sorry?

4 MR. ENGELBERG: Page 27 of 29, part II, attachment 5  
5 in Horizon's prefiled evidence.

6 MS. SPOEL: That's the letter to... Is that the one?

7 MR. ENGELBERG: Yes.

8 Has Horizon been approaching existing Hydro One  
9 customers inside Hydro One's service territory?

10 MS. BUTANY-DeSOUZA: Horizon Utilities did send a  
11 letter to existing Hydro One customers.

12 MR. ENGELBERG: So you have been approaching existing  
13 Hydro One customers inside Hydro One's service territory by  
14 means of that letter?

15 MS. BUTANY-DeSOUZA: Yes.

16 MR. ENGELBERG: Have there been other letters sent by  
17 Horizon in the past with this kind of activity, other  
18 contacts, or did this just begin on the date of that  
19 letter?

20 MS. BUTANY-DeSOUZA: To the best of my knowledge, no.

21 MR. ENGELBERG: This is the first time?

22 MS. BUTANY-DeSOUZA: Yes.

23 MR. ENGELBERG: Is Horizon aware that many of those  
24 customers have been served by Hydro One for many years?

25 MS. BUTANY-DeSOUZA: I think I already -- I think you  
26 asked me that before, and I said yes.

27 MR. ENGELBERG: What is the purpose of approaching  
28 existing customers who are being served by their licensed

1 LDC inside their LDC's service territory? What was  
2 Horizon's purpose?

3 MS. BUTANY-DeSOUZA: Well, we were asked by Hydro One  
4 to take these customers. I have identified the attachments  
5 and communication of both meeting minutes and e-mail to get  
6 this moving ASAP, as identified in e-mail from Rob Davidson  
7 of Hydro One. And so we sent the letter to inform  
8 customers.

9 MR. ENGELBERG: I understood that was with respect to  
10 part II of the application, but my understanding is that  
11 this letter was sent to Hydro One customers in part III of  
12 the application; in other words, the seven residential, the  
13 three commercial, and I don't know whether it was sent to  
14 owners of the two vacant lots, or not.

15 MS. BUTANY-DeSOUZA: It was sent to both part II and  
16 part III customers.

17 MR. ENGELBERG: Okay. What was the purpose of  
18 approaching those existing customers in part III being  
19 served by Hydro One inside Hydro One's service territory?

20 MS. BUTANY-DeSOUZA: It was Horizon Utilities'  
21 reasonably held expectation that based on the notion  
22 advanced by Hydro One, that Horizon Utilities take, as we  
23 have identified, the legacy outpost customers on Fletcher  
24 Road, that simultaneously we clean up, address, the  
25 customers on Rymal Road, as well.

26 MR. ENGELBERG: Do you have any notes of conversations  
27 or any meetings with Hydro One where Hydro One ever  
28 indicated that it would be willing to give away part III?

1 MS. SPOEL: Mr. Engelberg, I am not sure -- we were  
2 hoping, and I thought we made it clear, that we really  
3 didn't want to get into the history of -- we want the  
4 merits of whether or not these service area amendments  
5 should be made.

6 The history of who, why certain letters were sent or  
7 why people were approached, or who did what, when, and  
8 whether there were communications, there is a lot of  
9 material in the prefiled evidence and all of that, and I  
10 don't know that we really -- we can read all of it and I  
11 don't know that we really need to go through this.

12 We understand that there is probably some bad blood.  
13 I am not sure it is productive to have -- I mean, I don't  
14 think the credibility of Horizon's witnesses is going to  
15 really affect our decision-making on the merits of this  
16 case.

17 MR. ENGELBERG: I understand your concern, Ms. Spoel,  
18 and I don't intend --

19 MS. SPOEL: I am not sure how much of this kind of  
20 discourse advances --

21 MR. ENGELBERG: I don't intend to belabour the point,  
22 but the reason I wanted do it for a limited number of  
23 questions is because, in the prefiled evidence of Horizon,  
24 they filed a letter of support, indicating support for this  
25 application, because one customer provided -- indicated  
26 support.

27 MS. SPOEL: Right.

28 MR. ENGELBERG: And this morning it was said in

1 examination in-chief that Horizon didn't get responses from  
2 anyone else, but assumed from that that because they had no  
3 response, that it would be okay for those customers to  
4 leave. And I think that, as customer choice is relevant,  
5 that since this applies to all of part III, including a  
6 number of existing customers and vacant land, we need to be  
7 aware of what those customers wish to do.

8 MS. SPOEL: Yes. I agree, Mr. Engelberg. I think you  
9 can make those submissions in argument. I don't think that  
10 what Horizon thought when they sent the letters out  
11 actually advances it one way or the other.

12 MR. ENGELBERG: All right. I have heard you, Ms.  
13 Spoel. Thank you very much.

14 I would just like to finish up with parts IV and part  
15 V. What kinds of lands are included in part 4? Are there  
16 existing customers, vacant land?

17 MS. BUTANY-DeSOUZA: There's a combination of those  
18 two. There is the under-construction Bishop Ryan Catholic  
19 secondary school, and there is also a vacant plot of land  
20 in the northwest -- northwest corner.

21 MR. ENGELBERG: How large is that vacant land? Any  
22 indication of what type of enterprise could be built there?  
23 Would it be for a --

24 MS. BUTANY-DeSOUZA: Our estimation is small  
25 commercial.

26 MR. ENGELBERG: Thank you. A number of small  
27 commercial?

28 MS. BUTANY-DeSOUZA: If I was speculating, given that

1 it is next to a school, convenience store, a Pizza Pizza  
2 maybe --

3 MR. ENGELBERG: Thank you. But it's --

4 MS. BUTANY-DeSOUZA: -- that sort of enterprise.

5 MR. ENGELBERG: But it is vacant now.

6 MS. BUTANY-DeSOUZA: As I said, yes.

7 MR. ENGELBERG: Thank you.

8 Does Horizon recognize that the Hydro One 27.6 kV  
9 feeder can serve the customers in part IV as well?

10 MS. LERETTE: Yes.

11 MR. ENGELBERG: Thank you. How about part V?

12 MS. LERETTE: Yes.

13 MR. ENGELBERG: Thank you.

14 What kind of properties are included in part V? I  
15 think I understood this morning that it's all vacant, that  
16 there's nothing there.

17 MS. LERETTE: Yes, part V is vacant.

18 MR. ENGELBERG: Has Horizon provided the Board and  
19 Hydro One with any kind of economic analysis regarding  
20 serving what may eventually be built in part V?

21 MS. BUTANY-DeSOUZA: No, we have not.

22 MR. ENGELBERG: To your knowledge, has Hydro One  
23 provided the Board and Horizon with any such kind of  
24 economic analysis regarding serving part V?

25 MS. BUTANY-DeSOUZA: I'm sorry, I was coughing  
26 simultaneously as you were asking the question. I  
27 apologize. For my benefit, do you mind repeating?

28 MR. ENGELBERG: I was asking the same question about

1 Hydro One as I was about Horizon. To your knowledge, has  
2 Hydro One provided Horizon or the Board with any kind of an  
3 economic analysis regarding serving part V?

4 MS. BUTANY-DeSOUZA: No.

5 MR. ENGELBERG: Well, if it is --

6 MS. BUTANY-DeSOUZA: Do you mind if I clarify one  
7 point?

8 MR. ENGELBERG: Certainly.

9 MS. BUTANY-DeSOUZA: I think we had identified when we  
10 were walking through the secondary plan -- I forget what  
11 it's marked as. Let me check.

12 MS. CONBOY: Is it the map that actually had the --

13 MS. BUTANY-DeSOUZA: It's that one, the one that's up  
14 on the easel now. Oh, sorry, it is this one. K1.2.

15 MR. O'LEARY: No, it is KM2 from the motion, and today  
16 it is...

17 MS. HELT: KM2 from the motion is marked today as  
18 K1.7.

19 MS. CONBOY: Thank you.

20 MS. BUTANY-DeSOUZA: Okay. Sorry. I just wanted to  
21 clarify a point that we had identified, that it is largely  
22 residential, with the prospect, as Mr. Shepherd had drawn  
23 out during his cross-examination, of prospective schools  
24 and some small commercial, or commercial.

25 MR. ENGELBERG: Thank you.

26 Well, given that it is all vacant land, nothing has  
27 been built there, and neither one of the LDCs has provided  
28 the Board with any kind of economic analysis, how could the

1 Board make a decision as to whether to award all this land  
2 to another LDC? Don't they need to do an economic analysis  
3 or see one that has been done?

4 MS. BUTANY-DeSOUZA: I think, as I identified earlier  
5 in my evidence and testimony, when we filed part V of the  
6 application we identified that we've already come before  
7 this Board with a total of nine other applications, eight  
8 that have been awarded to Horizon Utilities.

9 And in the interest of efficiency of not bringing  
10 forward a number of other service-area amendment  
11 applications that included part V as part of this  
12 application, and that's the reason for bringing it forward  
13 at this time, I understand that for part I -- for the first  
14 application that I referenced that I spoke of this morning,  
15 that extended from Trinity Church Road all the way to  
16 Swayze Road, that that was dismissed for the entire vacant  
17 plot of land. But at this time we know -- or we have, I  
18 guess, a reasonably held expectation of how the rest of the  
19 development is going to roll out, and that's part of the  
20 reason why we were including that piece of land as part of  
21 this application at this time.

22 MR. FREEMAN: I think, to add, Mr. Engelberg, Mr.  
23 O'Leary referenced a map this morning that was filed  
24 previously as evidence, that there is no -- your question  
25 about the uncertainty of the future of this land is not  
26 necessarily merited, because the official plan document of  
27 the City of Hamilton has this as residential. There is not  
28 going to be factories here with different load. It is

1 essentially an extension of the residential from west to  
2 east. So it is not a great unknown. It's --

3 MR. ENGELBERG: Mr. Freeman, I didn't say it was  
4 unknown, and I didn't say there was uncertainty. What I am  
5 saying is Ms. Lerette told us that both utilities have 27.6  
6 kV lines able to serve this part. And given the fact that  
7 no economic analysis has been done, I am asking on what  
8 basis the Board would have information at this time to  
9 enable it to award the territory to Horizon.

10 MS. LERETTE: Well, we have an existing line that is  
11 ready to service it right now, whereas Hydro One has to do  
12 a system expansion to service the area 5.

13 MR. ENGELBERG: My understanding is that the Hydro One  
14 line is being built right now.

15 MS. LERETTE: Well, the current line in front of part  
16 V is an AkV circuit that I understand from your evidence is  
17 -- is unable to service any parts of --

18 MR. ENGELBERG: But it is your understanding -- and  
19 without agreeing with it, but it is your understanding that  
20 Hydro One's evidence is that it has a 27.6 kV line being  
21 built to Binbrook that is going right by here. Isn't that  
22 correct? I think you admitted that earlier.

23 MS. LERETTE: It is not in place right today, where we  
24 have a line in place right now ready to go.

25 MS. CONBOY: I am not sure if there is any more  
26 questions of clarification, because we're at argument now.  
27 Thank you.

28 MR. ENGELBERG: That was my last question.



1 MS. CONBOY: Okay. Last question, full stop, or last  
2 question on that section?

3 MR. ENGELBERG: Last question, full stop.

4 MS. CONBOY: Okay. Thank you.

5 Mr. Stephenson, how long do you think you will be? I  
6 am just wondering whether our court reporter needs a little  
7 break before we continue or not.

8 MR. STEPHENSON: My expectation is ten minutes.

9 MS. CONBOY: Okay. And Mr. Lanni?

10 MR. LANNI: Not more than five minutes.

11 MS. CONBOY: Okay. Please go ahead. And we  
12 understand that Mr. Freeman may have to leave. Mr.  
13 Stephenson, does that cause a problem with your cross-  
14 examination?

15 MR. STEPHENSON: It doesn't. In fact, I wouldn't  
16 anticipate Mr. Freeman -- there is nothing that is being  
17 directed to him. Let's put it that way. Whether or not he  
18 would want to answer it, I don't know, but I don't  
19 anticipate anything being directed to him.

20 MS. CONBOY: Thank you.

21 Mr. Lanni?

22 MR. LANNI: That's the same for me.

23 Before we move on to Mr. Stephenson's cross, I did  
24 want to let the Panel know that we have some procedural  
25 updates for you to consider when it is an appropriate time  
26 as well.

27 MS. CONBOY: Okay. Thank you.

28 So with that, Mr. Freeman, if you need to get going,

1 you are excused, with the Board's thanks.

2 MR. FREEMAN: I will wait five minutes.

3 MS. CONBOY: You will wait five minutes? Okay. So we  
4 won't take it amiss when you get up in the middle of  
5 something and walk out the door.

6 [Laughter]

7 MS. CONBOY: Okay. Mr. Stephenson, please go ahead.

8 **CROSS-EXAMINATION BY MR. STEPHENSON:**

9 MR. STEPHENSON: Thank you. I think the first one is  
10 for Ms. Butany-DeSouza. And if you could have handy the  
11 document -- the Horizon document brief that was distributed  
12 today. I think it is K1.2.

13 And I just wanted to be clear. You made reference in  
14 your evidence in-chief, and I think just again now, about  
15 the fact that some time ago Horizon had made a service-area  
16 amendment application in respect of the entire Multi-Area  
17 development, correct?

18 MS. BUTANY-DeSOUZA: Yes, that's correct.

19 MR. STEPHENSON: And just to be clear, am I right that  
20 the document at tab 4 -- no, sorry, it is document at tab 5  
21 -- is in fact the Board decision that pertains to the  
22 application that you were referring to; is that correct?

23 MS. BUTANY-DeSOUZA: Yes, that is correct.

24 MR. STEPHENSON: Okay. And then with respect to the  
25 properties which are now part II of your current  
26 application, needless to say, those properties were, in  
27 fact, part of the application that was dealt with by the  
28 Board at tab 5, correct, because that included everything?

1 MS. BUTANY-DeSOUZA: Sure. But so did many other  
2 parts of the lands that were part of that application that  
3 are now, given subsequent service area amendment  
4 applications, part of Horizon Utilities' service territory.

5 MR. STEPHENSON: I understand that. Just to be  
6 clear --

7 MS. BUTANY-DeSOUZA: Just to clarify.

8 MR. STEPHENSON: Just to be clear, it was part of that  
9 application; correct? It included other things, but that  
10 was part of it?

11 MR. FREEMAN: So I will just clarify I don't know that  
12 we can say that was definitively. The application was for  
13 the undeveloped land, and I don't know that we can say  
14 definitively we're including the existing customers. My  
15 personal recollection...

16 MS. BUTANY-DeSOUZA: I will leave my response as it  
17 stands.

18 MR. STEPHENSON: Okay. And then there was another  
19 subsequent application that pertained specifically to those  
20 three properties; correct? It's been referred to in the  
21 evidence somewhere, and I just wanted to make sure which of  
22 the decisions -- I'm pretty sure it is one of the decisions  
23 that is listed that is in your book, and I wanted you to  
24 tell me which one it was.

25 MS. BUTANY-DeSOUZA: Just bear with me.

26 MR. STEPHENSON: Just so we are all clear.

27 MS. BUTANY-DeSOUZA: So, in part, EB-2006-0216, which  
28 is at your tab 8, carves out 70 Fletcher Road and 80

1 Fletcher Road. It doesn't reference 134 Fletcher Road.

2 MR. STEPHENSON: Okay, got it. So two out of the  
3 three is dealt with there.

4 MS. BUTANY-DeSOUZA: That's right.

5 MR. STEPHENSON: Just to be clear, then, at least with  
6 respect to 70 and 80 Fletcher, this is the third time you  
7 have sought a service area amendment application in respect  
8 of those properties?

9 MS. BUTANY-DeSOUZA: No. No, that is not correct.

10 We excluded -- in EB-2006-0216, we were carving out 70  
11 and 80 Fletcher Road. They're excluded in the lands that  
12 we were describing in that application. If you go to tab  
13 8, the middle of the page or three-quarters of the way down  
14 the page, in the description, I will read from:

15 "Township of Binbrook and known as Summit Park  
16 phase III on plan 62M except for the following  
17 addresses, which are excluded..."

18 We did not in that application file for 70 Fletcher  
19 Road and 80 Fletcher Road.

20 MR. STEPHENSON: Okay, got it.

21 So am I wrong that you did have an application at some  
22 point for those properties?

23 MS. BUTANY-DeSOUZA: The application was in the  
24 initial -- the EB-2004-0536.

25 MR. STEPHENSON: Okay.

26 MS. BUTANY-DeSOUZA: Which is at your tab 4 -- 5,  
27 excuse me. That included all of the land.

28 MR. STEPHENSON: Yes.

1 MS. BUTANY-DeSOUZA: It was -- just bear with me a  
2 second.

3 I'm making sure. Yes, I think that is right.

4 MR. STEPHENSON: All right, fair enough.

5 Next matter, and I am not sure who this is for, but if  
6 I can take you back to tab 1 of Exhibit K1.2.

7 We know there is an issue in the case before the Board  
8 today about whether or not Hydro One should be required to  
9 include the so-called upstream costs in relation to its  
10 proposed Binbrook loop line.

11 You are aware of that issue; correct? That is an  
12 issue in this case?

13 MS. LERETTE: Yes, it is.

14 MR. STEPHENSON: Okay. Just looking at this chart, if  
15 we assume for the purposes of this question that Hydro One  
16 is correct that those costs should not be included - that  
17 is, the upstream costs should not be included - how would  
18 that affect this chart?

19 [Witness panel confers]

20 MS. LERETTE: So if we were to remove the 440,000 of  
21 upstream under Hydro One, the bottom line compared to  
22 Horizon would still be more expensive than Horizon.

23 MR. STEPHENSON: Okay. And all of the other numbers  
24 on the chart remain the same, other than obviously line 3  
25 and the total, is that --

26 MS. LERETTE: Yes.

27 MR. STEPHENSON: Okay, got it.

28 We heard some evidence about the offer to connect, the

1 executed offer to connect that Horizon has with the school  
2 in part IV. Did I get that right? There is an executed  
3 offer to connect?

4 MS. LERETTE: Mm-hm, yes.

5 MR. STEPHENSON: Okay. I take it that that executed  
6 offer to connect is a conditional offer by Horizon? It is  
7 not, at this moment as we sit here today, a binding  
8 contract; correct?

9 MR. O'LEARY: My friend is asking a legal question.

10 MR. STEPHENSON: If I can assist my friend, I am just  
11 asking for the witnesses' understanding, what they  
12 understand.

13 I am not asking them for an opinion. They may have no  
14 understanding at all, and if that is the answer, that's  
15 fine.

16 MR. O'LEARY: Well, it is a contract. The legal  
17 answer is it's a contract, but Horizon Utilities is here  
18 before the Board seeking a service area amendment so that  
19 it can follow through on that contract.

20 MR. STEPHENSON: Am I right, panel, that Horizon  
21 understood, when it was entering into that offer to  
22 connect, that it did not at that time, and today, have the  
23 legal capacity to make a legal and binding contract with  
24 the school?

25 MR. O'LEARY: Again, if my friend is asking what is  
26 their understanding in terms of what they could do as a  
27 licensed utility in terms of dealing with the school board,  
28 that is one question.

1 But to ask whether it is a binding legal document I  
2 think is a legal question.

3 MS. CONBOY: Well, I also think that they are the  
4 counterparty to that contract, and if they're signing a  
5 contract, you have some expectation about whether it is a  
6 legally binding contract or not.

7 So I think -- I think Horizon can answer as to whether  
8 they've signed a contract that they think has conditions to  
9 it or whether they have a contract that they are required  
10 to follow through on.

11 So I understand we don't have a lawyer up on the panel  
12 and you can make that in argument, but I would like to  
13 understand what type of contract they think, their  
14 understanding -- they were the counterparties to the  
15 contract that they were signing.

16 MR. O'LEARY: That's fine. But I think there already  
17 had been a response in terms of, if the service area  
18 amendment is not granted, that they will remove the  
19 temporary construction power to the site. So it is going  
20 to abide by the decision of the Panel.

21 MS. CONBOY: Okay. Mr. Stephenson, does that satisfy  
22 you?

23 MR. STEPHENSON: With all due respect to my friend,  
24 that is a lawyer's answer.

25 I want to know what they thought as a matter of fact.

26 MS. BUTANY-DeSOUZA: While our counsel has conveyed  
27 some remarks just before these remarks that I am offering,  
28 I think he actually reiterated that which Ms. Lerette has

1 already offered to this Board, and that was that we've  
2 provided temporary power. We're filing for a service area  
3 amendment application.

4 We recognize that should this service area amendment  
5 application not be granted, that that would be the end of  
6 it.

7 MR. STEPHENSON: And did you -- I don't know whether  
8 any of you were involved in the negotiation of this offer  
9 to connect with the school. And if the answer is you  
10 weren't, then that is the end of it.

11 Did you have discussions with the school about what  
12 conditions or qualifications you had as a utility about  
13 your ability to deliver under that offer to connect?

14 MR. ROBERGE: I did talk to the school, and they were  
15 aware that it was not our service territory and they wanted  
16 to proceed with Horizon, and they gave us a letter to --  
17 and this initiated the process of this application.

18 MR. STEPHENSON: Okay, thank you.

19 I think this one is for Mr. Burman. If I could just  
20 get you to turn up your report for a minute, sir, and I am  
21 looking at, starting at page 24 of your report.

22 And just before I ask you a question about it, I just  
23 wanted to confirm. As I understood your evidence from this  
24 morning, you were asked whether or not your knowledge of  
25 Hydro One's plans to build the 27.6 kV line to Binbrook  
26 affected any of the views you expressed in your report.

27 And my recollection is your answer was, no, it didn't  
28 change your views; is that fair?



1 MR. BURMAN: Right.

2 MR. STEPHENSON: Is that fair?

3 MR. BURMAN: That's correct.

4 MR. STEPHENSON: Okay. Starting at page 24 of your  
5 report, you do something called an infrastructure  
6 comparative analysis. Have I got that right?

7 MR. BURMAN: That's correct.

8 MR. STEPHENSON: Okay. The infrastructure that you  
9 are comparing there - that is, Hydro One on the one hand  
10 and Horizon on the other - that comparison was not based  
11 upon the 27.6 kV Binbrook loop line; is that correct?

12 MR. BURMAN: It was not, because it didn't make sense.

13 MR. STEPHENSON: I understand your evidence. You  
14 think it is -- you think it is a crazy idea. I understand  
15 that.

16 My question is a different one, sir. You didn't  
17 undertake a comparative analysis; correct?

18 MR. BURMAN: I didn't undertake... I'm not sure I  
19 understand the question.

20 MR. STEPHENSON: You did not undertake a comparative  
21 analysis of the infrastructure as between the now-proposed  
22 Binbrook loop line, the 27.6 line, and the Horizon  
23 infrastructure? You did not undertake that analysis;  
24 correct?

25 MR. BURMAN: I didn't undertake that analysis. I  
26 undertook analysis of what was in place at the time.

27 MR. STEPHENSON: Right. I understand that. Okay.

28 Then you proceed at page 28, a little further on, you

1 do a service reliability comparative analysis. Do you see  
2 that?

3 MR. BURMAN: Yes, yes.

4 MR. STEPHENSON: And you took some -- you take some --  
5 you do a comparison of some SAIDI and CAIDI numbers between  
6 Hydro One and Horizon; correct?

7 MR. BURMAN: Correct.

8 MR. STEPHENSON: And the SAIDI and CAIDI numbers you  
9 are using there are for Hydro One system wide; correct?

10 MR. BURMAN: That's correct.

11 MR. STEPHENSON: Okay. And you would agree with me,  
12 wouldn't you, that the local infrastructure that we're  
13 talking about here in this area of Hamilton is a tiny  
14 fraction of Hydro One's overall distribution system; fair?

15 MR. BURMAN: Fair.

16 MR. STEPHENSON: And Hydro One has a wildly far-flung,  
17 diverse service territory; correct?

18 MR. BURMAN: Correct.

19 MR. STEPHENSON: And it has got a wide-range of  
20 characteristics, in terms of weather, terrain and all sorts  
21 of things that have an impact on SAIDI and CAIDI; correct?

22 MR. BURMAN: Correct.

23 MR. STEPHENSON: So the SAIDI and CAIDI numbers that  
24 you have here are not really reflective of anything that  
25 the local customers of Hydro One, in the Horizon Hamilton  
26 area, would be experiencing or could expect to experience;  
27 is that fair?

28 MR. BURMAN: I had no way of determining that.

1 MR. STEPHENSON: Right. Okay.

2 Then, similarly, you have a customer density number  
3 here, which is the very next line. Do you see that?

4 MR. BURMAN: Yes.

5 MR. STEPHENSON: And, again, that is a system-wide  
6 number; right?

7 MR. BURMAN: Correct.

8 MR. STEPHENSON: It is fair to assume that the  
9 customer density, to the extent that it matters about  
10 anything, for Hydro One in the Hamilton area is  
11 considerably higher than its system-wide average; fair?

12 MR. BURMAN: Again, I had no way of determining that.

13 MR. STEPHENSON: I appreciate you didn't have the  
14 numbers, but you're a common-sense guy. Relative to  
15 northeastern Ontario, their density is --

16 MS. CONBOY: Ms. Butany-DeSouza, I am going to remind  
17 you you have put this witness forward --

18 MS. BUTANY-DeSOUZA: Sorry, I apologize.

19 MS. CONBOY: -- as an expert. Let him answer the  
20 questions.

21 MR. STEPHENSON: Relative to the far-flung  
22 northeastern and northwestern Hydro One service territory,  
23 Hamilton is likely to be considerably denser; isn't that  
24 fair?

25 MR. BURMAN: I was able to travel through the rural  
26 area that was represented by Hydro One's service territory,  
27 and it is not inconsistent with the type of densities I  
28 have seen in other parts of the province, as well --

1 MR. STEPHENSON: All right.

2 MR. BURMAN: -- that Hydro One has served.

3 MR. STEPHENSON: Your best answer is you just don't  
4 know; fair?

5 MR. BURMAN: I would say if you are comparing it to  
6 the northeast and northwest, yes, there might be a  
7 difference, but there is no way to make that determination  
8 on this.

9 MR. STEPHENSON: Okay.

10 MR. BURMAN: It's certainly not as dense as the  
11 Hamilton area would be.

12 MR. STEPHENSON: Okay, thank you, Mr. Burman. Those  
13 are my questions, and thank you, panel.

14 MS. CONBOY: Thank you, Mr. Stephenson.

15 Mr. Lanni.

16 **CONTINUED CROSS-EXAMINATION BY MR. LANNI:**

17 MR. LANNI: A quick question while you still have this  
18 on the screen. Do you know if Hydro One breaks down its  
19 SAIDI and CAIDI into rural and urban numbers? I know you  
20 are not the Hydro One witness, but just curious.

21 MR. BURMAN: No. This information was taken out of  
22 the year book and I am not aware of that.

23 MR. LANNI: I just have one question. So Horizon's  
24 application, part III of the evidence, indicates that Hydro  
25 One's assets in that area are fully depreciated.

26 Board Staff asked an IR of Hydro One, and that is OEB  
27 IR No. 8. In its response, Hydro One states that if the  
28 service area amendments requested in part III of the

1 application are approved, there will be stranded assets.

2 Hydro One provides an estimate of these costs, these  
3 stranded costs, to be \$15,000 and says, in addition, there  
4 are some additional removal costs.

5 And my question is: In Horizon's view, if these -- if  
6 there are these stranded costs, who would be responsible  
7 for bearing them?

8 MS. BUTANY-DeSOUZA: Sorry, could you repeat which IR  
9 you referenced?

10 MR. LANNI: It would be the IRR to Board Staff -- OEB  
11 IR No. 8, Horizon's response -- or Hydro One's response.

12 MS. CONBOY: Hydro One's response.

13 [Witness panel confers]

14 MS. LERETTE: So just from this IR response, if the  
15 assets are fully depreciated and the average age is 25 per  
16 this evidence, I am not sure how they came up with this  
17 cost.

18 I would expect a much lower, if not zero, cost.

19 MR. LANNI: Is this...

20 If you can scroll down? Yes. So in relation to part  
21 III, there is an estimate of about \$15,000. And I guess  
22 the question is: Who does Horizon feel would bear these  
23 costs?

24 [Witness panel confers]

25 MS. BUTANY-DeSOUZA: I believe the issue of stranded  
26 assets was in the combined proceeding, and it is the  
27 applicant, if awarded, would bear that stranded asset cost.

28 MR. LANNI: Okay.

1 MS. BUTANY-DeSOUZA: That being said, it should be  
2 noted that, as Ms. Lerette pointed out, some of these  
3 assets we've identified or we believe are fully  
4 depreciated. Hydro One in its response has identified some  
5 of those are at 25 years. So I'm surprised there would be  
6 a cost.

7 Others of those assets, as identified in this  
8 interrogatory response, were assets for the investment that  
9 were made in the face of the live application. So at the  
10 time of the -- and so I think that that needs to be noted.

11 MR. LANNI: Okay. So there hasn't been discussions  
12 with Multi-Area with respect to --

13 MS. BUTANY-DeSOUZA: No.

14 MR. LANNI: Okay, thank you.

15 MS. BUTANY-DeSOUZA: Not for part III.

16 MR. LANNI: Those are my questions, and my friend has  
17 some procedural --

18 MS. CONBOY: I think we will get to Mr. O'Leary's re-  
19 direct before we deal with procedural matters.

20 MR. O'LEARY: Given the timing, Madam Chair, no  
21 questions.

22 MS. CONBOY: Wow, okay. Now we will go to the  
23 procedural matters. Ms. Helt.

24 MR. O'LEARY: Are there no questions from the Panel?

25 MS. CONBOY: Thank you, Mr. O'Leary.

26 [Laughter]

27 MS. CONBOY: Mr. O'Leary wants to know if you have any  
28 questions.

1 MR. ELSAYED: I don't have any questions.

2 MS. CONBOY: Thank you.

3 [Laughter]

4 MS. CONBOY: Ms. Helt.

5 **PROCEDURAL MATTERS:**

6 MS. HELT: Just two short procedural matters. The  
7 first is with respect to Exhibit K1.2, which was filed this  
8 morning by Horizon. It is their document brief.

9 When we marked that as an exhibit, we had noted, Mr.  
10 Engelberg, you had said that you had first wanted to  
11 consider tabs 1 and 15 prior to accepting the entire  
12 document book as an exhibit.

13 You have now had an opportunity to do so, I take it,  
14 and there are no issues?

15 MR. ENGELBERG: That's correct.

16 MS. HELT: Thank you. Just wanted to clarify that for  
17 the record.

18 The second matter is just with respect to -- I don't  
19 know, Madam Chair, if you are going to discuss coming back  
20 on February 14th or February 15th, which I understand  
21 hearing rooms are available and there is availability.

22 MS. CONBOY: Thank you. So let's take a few minutes.  
23 And before we do that, the panel is excused with the  
24 Board's thanks. That was very helpful.

25 I understand February 14th does not work for Horizon.  
26 And how are we for February 15th?

27 MR. ENGELBERG: I would just like a minute to speak to  
28 my people, because I haven't heard of February 15th until

1 just now.

2 MS. CONBOY: Well, neither have I.

3 MR. ENGELBERG: It may be --

4 MS. CONBOY: I just have to think about that, as well.

5 MS. HELT: I apologize for that. We were trying to  
6 figure that out while this was going on. So I just  
7 received confirmation via e-mail that there is hearing room  
8 availability, and the Panel members, according to hearing  
9 dates, you are free.

10 MS. CONBOY: Thank you.

11 MR. ENGELBERG: That would be Friday of next week?

12 MS. CONBOY: That would be Friday of next week.

13 MR. ENGELBERG: If I could speak to my people?

14 MS. CONBOY: Okay. Why don't we just give you a few  
15 minutes now, and then we can get it all sorted out before  
16 everybody goes home?

17 MS. CONBOY: Just while you are all chatting about  
18 what you can do and what you would prefer to do, we have,  
19 as some of you will know, a very chock-full February.

20 So, you know, when you are talking about what your  
21 preference as to what you can do, unfortunately, those two  
22 days are it for February.

23 MR. ENGELBERG: Hydro One is fine.

24 MS. CONBOY: Hydro One is fine?

25 MR. O'LEARY: The 15th works for us.

26 MS. CONBOY: Great. Second row? Everybody's --

27 MR. STOLL: It's fine for me.

28 MS. CONBOY: Thank you. Mr. Stephenson.



1 MR. O'LEARY: No romantic dinners on the 14th, I  
2 guess.

3 [Laughter]

4 MS. CONBOY: Are we still on air?

5 MS. SPOEL: Let's not go there.

6 [Laughter]

7 MS. CONBOY: Well, thank you very much. We are  
8 adjourned until --

9 MS. HELT: Madam Chair, sorry, one more matter. We  
10 just can't be adjourned yet.

11 Perhaps it may be helpful if, for the purpose of  
12 Thursday's examination and cross-examination, if -- or  
13 Friday, sorry, if any parties do have a compendium of  
14 documents, it would be very helpful and perhaps make the  
15 hearing go more efficiently on Friday if we could have  
16 those compendiums of all of the documents that you intend  
17 to refer to throughout the cross, except for the maps and  
18 those that have been marked as exhibits today, if that is  
19 something the Panel might find would be of assistance.

20 MS. CONBOY: I think the compendiums would be of  
21 assistance.

22 I think what we tried to do, but we weren't able to  
23 stick to today, was an estimate of timing, as well, so that  
24 we can efficiently plan the day.

25 Mr. Malcolmson, I think you were going to provide a  
26 response to an undertaking, although you may have provided  
27 it to us orally today; is that correct? Was your  
28 undertaking with respect to who owned...

1 MR. MALCOLMSON: Yes, it was, and the undertaking was  
2 to provide a legal description. And upon reflection, it  
3 might help the Board and the parties more if we provided a  
4 survey or sketch sort of plotted on a replica of your map  
5 that would show actual ownership as opposed to a wordy  
6 legal description that needs to be deciphered.

7 MS. CONBOY: Thank you. Does that satisfy your needs,  
8 Mr. O'Leary?

9 MR. O'LEARY: Madam Chair, that would be more than  
10 satisfactory.

11 I simply wanted to indicate that, in fact, the owner  
12 of that property had been made aware of this application.

13 MS. CONBOY: Well, I think that is also quite an  
14 important point for us, to make sure that, to the extent  
15 that it is a different owner, that they are well aware of  
16 this proceeding.

17 Mr. Engelberg?

18 MR. ENGELBERG: By compendium, do you mean that if,  
19 during examination in-chief, a witness is being referred to  
20 an IR, that you don't want him to go to it from the binder  
21 and you want it in a separate place?

22 MS. CONBOY: You may find that we found it a bit  
23 tricky, for some reason. The evidence and the  
24 interrogatories in this proceeding have been a little more  
25 tricky to go through than the usual.

26 To the extent that you can put the material, including  
27 the interrogatory responses, in a compendium, that would be  
28 of great use to the Board.

1 I am not sure if that is your colleague sitting to  
2 your left, but she also was of great help to the Board in  
3 putting things up on the screen.

4 So to the extent that we can invite you back on  
5 Friday --

6 [Laughter]

7 MS. CONBOY: -- that would be helpful, as well.

8 MR. ENGELBERG: Thank you. Also, you mentioned  
9 wanting to know about how much time people are taking. Is  
10 it your intention to try to do oral argument next Friday or  
11 just get through all of the evidence?

12 MS. CONBOY: Well, I mean, our preference as a Panel  
13 is oral argument, and we recognize, at least for your  
14 argument in -- your argument in-chief, pardon me, that will  
15 be tough. I mean, if we can go -- if we have the time and  
16 Mr. O'Leary has been given sufficient time to process the  
17 cross-examination of your witnesses, Mr. Engelberg, then I  
18 think we can proceed with argument in-chief.

19 Whether we get to reply may be -- given the point of  
20 where we are today may be asking a little bit much.

21 But if we can do it, that's great, but -- Mr.  
22 Shepherd?

23 MR. SHEPHERD: Madam Chair, can I just express a  
24 concern there? My client was -- my client member, the  
25 Hamilton-Wentworth Catholic District School Board, was  
26 pleased to see you were having oral argument tomorrow,  
27 because they face a very short deadline to get power.

28 And so we would be concerned if we're not able to do

1 oral argument next week, but I understand that it might not  
2 be possible. I get that.

3 But I wonder if I could ask the Board to consider what  
4 other options are available to get a decision as quickly as  
5 possible in this, because the school will not open in  
6 September if we don't have a decision relatively soon, and  
7 1,500 students will stay in portables.

8 MS. CONBOY: Thank you very much. When we heard the  
9 motion, we heard loud and clear, as well, from Multi-Area  
10 the need to get a decision out as soon as possible.

11 I think everybody can agree we want something out as  
12 soon as possible. If that means that you are comfortable  
13 in providing argument in-chief on Friday and also reply  
14 argument and we've got the time, then certainly the Panel  
15 is more than willing to sit and listen to that.

16 So I encourage everybody to be ready, depending on  
17 what they hear from the Hydro One witnesses, for argument  
18 on Friday. Mr. O'Leary.

19 MR. O'LEARY: Madam Chair, I mean, you've hit the nail  
20 on the head in terms of obviously my ability to ultimately  
21 listen to and then condense the cross-examination answers  
22 into a cogent argument.

23 It is a challenge, at best, but, you know, I will see  
24 how things go and it may be that it could be broken up.  
25 Perhaps if we don't have time, we would only need a couple  
26 of hours another day after that.

27 MS. CONBOY: That's fine. So we will -- as I said,  
28 finding hearing time is going to be very difficult. I've

1 seen you do argument in-chief right after, so we will see  
2 how we go. Mr. Stoll?

3 MR. O'LEARY: I was much younger then.

4 MR. STOLL: I was just going to ask: Are we going to  
5 start at 9:30 or, given the time and people pushing, would  
6 there be a desire to start at, say, 9 o'clock on next  
7 Friday?

8 MS. CONBOY: I am okay to start at 9:00. Teresa, you  
9 are? So that's a good idea, Mr. Stoll. Why don't we start  
10 at 9 o'clock, at 9 o'clock on the 15th? Mr. O'Leary,  
11 unfortunately you are going to have to go home early the  
12 night before.

13 [Laughter]

14 MS. CONBOY: So we are excused.

15 MR. O'LEARY: It's not me that I was worried about.

16 MS. CONBOY: Thank you.

17 --- Whereupon the hearing adjourned at 5:30 p.m.

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