

May 22, 2013

BY COURIER (2 COPIES) AND EMAIL

Ms. Kirsten Walli

Board Secretary

Ontario Energy Board

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Dear Ms. Walli:

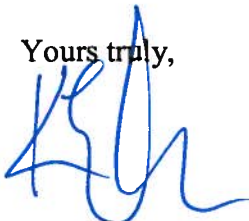
**Re: Interrogatory Responses and Scheduling of Next Steps
EB-2013-0053 – Hydro One Networks Inc. (“Hydro One”)
Guelph Area Transmission Line Project (“Project”)**

We are writing to advise that Environmental Defence is seeking more complete interrogatory responses from Hydro One and that we may seek a revision to the schedule if a motion is ultimately necessary.

We believe that Hydro One has not provided full and adequate interrogatory responses in this matter. We therefore have requested that Hydro One provide revised responses to a number of specific interrogatories. Our letter to Hydro One is attached. We hope that this issue can be resolved through discussions with Hydro One.

We will advise the Board of the outcome of our discussions with Hydro One. If a motion is necessary, we may ask that the schedule for this proceeding be revised accordingly.

Yours truly,



Kent Elson

cc: Applicant and Intervenors

May 22, 2013

BY EMAIL

Michael Engelberg
Assistant General Counsel
Hydro One Networks Inc.
483 Bay Street
15th Floor - North Tower
Toronto Ontario M5G 2P5
mengelberg@hydroone.com

Dear Mr. Engleberg:

**Re: Full and Adequate Interrogatory Responses
EB-2013-0053 – Hydro One Networks Inc. (“Hydro One”)
Guelph Area Transmission Line Project (“Project”)**

We are writing on behalf of Environmental Defence to respectfully request revised, full, and adequate responses to the following interrogatories in this matter.

Interrogatory No. 1

Please provide the following clarifications to this response.

Are the historical total peak demands provided in this response for the six sub-categories coincidental peaks or are they the peak demands for that sub-category?

Please provide the date and hour of the peak for each year.

Interrogatory No. 2

Please provide a readable and sortable electronic excel version of this data.

Interrogatory No. 5

Hydro One and the OPA have not specifically indicated **when** they were first aware of the need to take steps to ensure compliance with ORTAC criteria as requested in this interrogatory. To provide a full and adequate response, we believe Hydro One should indicate, at a minimum, when it first forecast that ORTAC criteria would not be met and when it first actually failed to meet ORTAC criteria in the KWCG area.

This information is relevant seeing as Hydro One states that DG and CDM are not alternatives due in part to the “**immediate nature**” of the need (see Ex. I, Tab 2, Schedules 26 and 44). If Hydro One and the OPA have known of this potential problem for an extended period of time without addressing it, that would indicate that the need is not as immediate as they suggest it is and/or that they should have been analyzing CDM and DG as alternatives far earlier.

Interrogatory No. 10

In response to part (c) and (d) of this interrogatory, Hydro One has indicated that the OPA does not have an estimate of the total potential demand reduction that could be achieved for *peaksaver* or *peaksaver plus*. We ask that an estimate be developed by Hydro One or the OPA. If that is not possible, we request the OPA’s estimate of the average demand reduction **per customer** for: (a) residential; and (b) small commercial customers from (i) *Peaksaver*; and (ii) *Peaksaver plus* participants.

Interrogatory No. 22 (b)

This interrogatory relates to the 60 MW of projects submitted to the OPA in the City of Guelph under the FIT and CHPSOP programs. Part (b) requested a revised version of Table 3 (which provides the OPA’s demand forecast net of conservation and DG) under the assumption that those 60 MW of projects would be contracted for. This was not provided on the grounds that “connection points for the projects referred to in the City of Guelph Council Report are required in order to provide a revised version of Table 3 ... because the proposed projects could be located within the City of Guelph, but not electrically connected in the South-Central Guelph or Kitchener-Guelph subsystems.”

We believe that the requested information can and should be provided by Hydro One and the OPA. The 60 MW of projects have submitted applications to the OPA and are actual proposed projects with specific sites. The connection points therefore are known and can be used to provide an updated version of Table 3 as requested.

Interrogatory No. 26

This interrogatory requested a description and list of the steps taken by the OPA to assess CDM and DG as alternatives to the proposed project, including the dates of those steps and the underlying documentation. Although the response provided a partial analysis of CDM and DG as alternatives, it did not list the steps taken by the OPA in this regard, indicate the relevant dates, or provide the underlying documentation. We ask that this information be provided.

A list of the steps taken by the OPA is relevant to whether a sufficient assessment of the alternatives has been undertaken.

The dates of the various steps taken by the OPA are relevant seeing as Hydro One states that DG and CDM are not alternatives due in part to the “**immediate nature**” of the need

(see Ex. I, Tab 2, Schedules 26 and 44). Hydro One is in effect saying that it is “too late” to implement CDM and DG as alternatives, and therefore it is relevant to determine when the OPA and Hydro One first started examining CDM and DG as alternatives and whether they should have been examining these options earlier. If they failed to conduct a timely review of the alternatives, the Board may wish to reflect that fact in its order in this proceeding.

The key underlying OPA reports and memos regarding CDM and DG are relevant as they would assist the parties in clarifying exactly what analysis was done and when. The underlying OPA reports and memos would also contain more details regarding the OPA’s analysis and assumptions, which would assist in assessing its conclusion that CDM and DG are not adequate alternatives.

Interrogatory No. 29 (b)

The OPA has indicated that it will not provide copies of the KWCG Working Group’s meeting agendas, minutes and report as Environmental Defence had requested. No justification has been provided for withholding those materials and we therefore ask that they be provided.

These materials are relevant to these proceedings. For example, these materials will likely indicate whether, when, and to what extent the KWCG Working Group examined alternatives to the proposed project.

Furthermore, in his March 8, 2012 letter to Hydro One, Amir Shalaby of the OPA states that the KWCG Working Group supports the OPA’s recommendations with respect to this project [Exhibit B-1-4, Attachment 1]. The support of the KWCG Working Group, and the basis for that support, is relevant to this proceeding. It is unclear how the working group could have decided to support this project by March 8, 2012 even though one year later the working group has still not finished its report on this matter. In the very least we believe Hydro One should provide all documentation that was presented to the Working Group before March 8, 2012 and the minutes of their meetings. This would indicate how many meetings had occurred, what information had been received, and what analysis of alternatives had been undertaken before the working group concluded that a new transmission line was needed.

Interrogatory No. 31

Hydro One has not provided its load forecast and the studies that support it as requested in this interrogatory. In particular, this interrogatory refers to Ex. B, Tab 4, Schedule 3, which contains Hydro One’s economic analysis of the project. In order to produce that economic analysis, Hydro One presumably prepared a load forecast. We request that Hydro One provide the load forecast underlying its economic analysis.

This is relevant because it appears that Hydro One’s economic analysis assumes a much lower load growth than the OPA and the LDCs are assuming. Hydro One’s economic

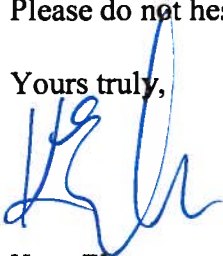
analysis of this project shows that it has a Profitability Index of only 0.2 [Ex. B, Tab 4, Sch. 3, page 1]. That is, it is uneconomic. Therefore, the economic analysis is presumably based on a forecast load growth that is insufficient to bear the costs of the project.

Interrogatory No. 40

In response to b) the OPA states that there is limited load transfer capability. Please identify the amount of load transfer capability that exists between each sub-category of the KWCG area

Please do not hesitate to contact me if you wish to discuss the above.

Yours truly,



Kent Elson

cc: Board Secretary and Parties