

Hydro One Networks Inc.
2014 Distribution 3GR IRM Rate Application

EB-2013-0141
BOARD STAFF INTERROGATORIES
July 4, 2013

SMART GRID

Board staff IR#1

Ref: Exhibit A/Tab 3/Sch1/pg 1

Hydro One indicates that the application is substantially consistent with Chapter 3 of the Filing Requirements for Transmission and Distribution Applications issue by the Board on June 28, 2012. Section 3.5 of these requirements indicate that applications may be filed for Smart Grid funding adders as part of an IRM application. What is Hydro One's rationale for making an application for a Smart Grid funding rider rather than an adder?

Board staff IR#2

Ref: Exhibit C/Tab 1/Sch1/pg 3

Hydro One indicates that once it has confirmed the viability of various smart grid technologies for widespread deployment, it will move to Phase 2. Please provide a summary of each of the confirmed smart grid technologies and for each technology, the technical, operational and economic validation criteria used for such determination.

Board staff IR#3

Ref: Exhibit C/Tab 1/Sch1/pg 3

Hydro One indicates that it will establish ongoing programs for deployment and sustainment of smart grid technologies on the distribution system by taking the opportunity to modernize assets when making end-of-life asset investments and that Phase 2 Smart Grid investment will be integrated into Hydro One's investment planning process and will be prioritized like any other investment. Please provide examples of these modernized assets and provide the status of Hydro One's investment planning process with regard to integrating Smart Grid investments.

Board staff IR#4

Ref: Exhibit C/Tab 1/Sch1/pp 4&5

Hydro One indicates that it completed the work for the Smart Zone Pilot in 2012 and presents total Smart Grid costs in Table 1 on Page 5. Please provide a breakdown of the costs shown in Table 1 by category as found in the table in the Board's EB-2009-0096 Decision with Reasons, April 9, 2010, page 41. If additional categories are appropriate please augment the list.

Board staff IR#5

Ref: Exhibit C/Tab 1/Sch1/pg 4

Hydro One points out that in the Board's EB-2009-0096 Decision with Reasons, the Board directed Hydro One to track the Smart Grid costs in a Rate Rider. Please provide a table of the variances between the monthly revenues collected through the rider and the actual spending from 2010 to June 2013. Please indicate which USoA account was used and include a break out of carrying costs. Also please reconcile the balance to Hydro One's RRR 2.1.7 balance.

Board staff IR#6

Ref: Exhibit C/Tab 1/Sch1/pg 5

Please provide the primary reasons for the under-spending of Smart Grid OM&A amounts over the 2010 to 2012 period.

Board staff IR#7

Ref: Exhibit C/Tab 1/Sch1/pg 4

Hydro One indicates that it found that Distribution Management Systems would play a bigger role in any utility's smart grid implementation. How has this realization affect the smart grid program and future investment plans?

Board staff IR#8

Ref: Exhibit C/Tab 1/Sch1/pg 4

Hydro One indicates that the market maturity of some of the technology was not as expected and indicates that energy storage technology and electric vehicles were not cost effective for piloting and, that some smart grid technologies had price points that were too high to be cost effectively deployed for Hydro One customers. Please provide more information on these examples, and for each include costing details, economic evaluation criteria and results as well as any other qualitative factors justifying Hydro One's rationale for not pursuing these technologies.

Board staff IR#9

Ref: Exhibit C/Tab 1/Sch1/pg 11

In Table 3 Hydro One shows \$91.4 million of 2013 in-service assets and 2014 In-Service Additions (with half-year rule) of 15.1 million. Please provide the project specific details that make up these totals for 2013 and 2014.

Board staff IR#10

Ref: Exhibit C/Tab 1/Sch1/pg 12

Hydro One indicates that it will participate with other utilities in a detailed customer survey on customer attitudes towards smart grid. Please provide any further information on the development of this survey including a list of other utilities that will be taking part.

Board staff IR#11

Ref: Exhibit C/Tab 1/Sch1/pg 14

Hydro One indicates that it will periodically re-evaluate its priorities based on pilot test results and the evolving state of smart grid technology. Have any pilot tests or smart grid technology developments come to light in the first half of 2013 that may affect the planned smart grid activities for 2014?

Board staff IR#12

Ref: Exhibit C/Tab 1/Sch1/pg 10

In the pre-filed evidence for Hydro One's 2013 rates application, EB-2012-0136 Hydro One provided Table 4 (Exhibit C/Tab1/Sch1/page 10) outlining the Smart Grid Studies that it was planning for 2013 and the scope of each study. Please provide an update of this table indicating the progress of each of the studies listed, and for any completed study, a summary including cost, results, and impact on future smart grid plans.

SHARED TAX SAVINGS RATE RIDER

Board staff IR#13

Ref: Exhibit D1/Tab1/Sch1/p. 1

Hydro One indicates that when the 2013 Shared Tax Savings Rate Rider was implemented in the CSS system, it was deemed to be HST exempt, however it should not have been and therefore additional funds will be refunded to customers in 2014. Please provide a further explanation of how/why this error occurred.

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