



**PUBLIC INTEREST ADVOCACY CENTRE**  
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December 03, 2013

**VIA E-MAIL**

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge St.  
Toronto, ON  
M4P 1E4

Dear Ms. Walli:

**Re: EB-2013-0196, 2013-0187 and 2013-0198**  
**VECC Supplemental Interrogatories**

As per Procedural Order No. 7 please find enclosed the supplemental interrogatories with respect to the above-noted proceedings.

We have also directed a copy to the applicant as well as the interested parties via e-mail.

Thank you.

Yours truly,

Michael Janigan  
Counsel for VECC

**APPLICATION BY HYDRO ONE INC. FOR LEAVE TO PURCHASE  
ALL OF THE ISSUED AND OUTSTANDING SHARES OF NORFOLK POWER INC.  
EB-2013-0196**

**APPLICATION BY NORFOLK POWER DISTRIBUTION INC. FOR LEAVE TO  
DISPOSE OF ITS DISTRIBUTION SYSTEM TO HYDRO ONE NETWORKS INC.  
EB-2013-0187**

**APPLICATION BY NORFOLK POWER DISTRIBUTION INC. TO INCLUDE A RATE  
RIDER IN THE 2013 ONTARIO ENERGY BOARD-APPROVED RATE SCHEDULE  
FOR NORFOLK POWER DISTRIBUTION INC. TO GIVE EFFECT TO A 1%  
REDUCTION RELATIVE TO 2012 BASE ELECTRICITY DELIVERY RATES  
EB-2013-0198**

**VECC SUPPLEMENTAL INTERROGATORIES**

**DECEMBER 4, 2013**

### **SUPPLEMENTAL INTERROGATORY #1**

**REFERENCE:** i) Supplemental Evidence, page 2, lines 19-22

**QUESTION:**

- a) Please outline those areas/services for which “the execution of applicable services agreements” for applicable shared services will be required.

### **SUPPLEMENTAL INTERROGATORY #2**

**REFERENCE:** i) Supplemental Evidence, page 1, lines 12-17  
ii) Exhibit I, Tab 2, Schedule 3 (VECC Interrogatory #3)

**QUESTION:**

- a) Do the options/alternatives under consideration for integrating the business affairs of NPDI with HONI impact at all on either:
  - i) The anticipated areas outlined in response to VECC #3 as to what systems, processes or functions would be leveraged so as to achieve integration efficiencies ,or
  - ii) The level of efficiency savings that is anticipated will be achieved?
- b) If not, why not?
- c) If yes, what areas will impacted and what will be the degree of impact on the anticipated efficiency savings?

### **SUPPLEMENTAL INTERROGATORY #3**

**REFERENCE:** i) Supplemental Evidence, page 3, lines 1-7  
ii) Exhibit I, Tab 2, Schedule 3 (VECC Interrogatory #3)

- a) Please provide additional information regarding the activities, anticipated staffing levels and annual costs associated with the new business unit that will have responsibility for the acquired NPDI distribution business.
- b) What impact will the creation and funding of this new business unit have on the integration efficiencies and, more specifically, the overall level of savings that Hydro One Networks had anticipated per VECC #3?

#### **SUPPLEMENTAL INTERROGATORY #4**

**REFERENCE:** i) Supplemental Evidence, page 2, lines 8-15  
ii) Updated Exhibit A, Tab 1, Schedule 1, page 4, lines 14-22  
iii) Board Decision, EB-2008-0053, page 4

**QUESTION:**

- a) How long a transition period does HONI anticipate will be required? What would be the major impediments to establishing a date for the completion of the transition?
- b) VECC notes that in other Decisions the Board has set a time frame for the completion of the transaction and required that a new application be made if the transaction was not completed by that date. Does HONI consider that such an approach would be appropriate in this case?
- c) If not, why not?
- d) If yes, what does HONI consider would be a reasonable timeframe and why?
- e) If the Board adopted such an approach and the transaction were not completed, would the 1% rate reduction granted to NPDJ remain in effect?

#### **SUPPLEMENTAL INTERROGATORY #5**

**REFERENCE:** i) Updated Application, Exhibit A, Tab 2, Schedule 1, pages 7-8

**QUESTION:**

- a) In the initial Application HONI proposed “to harmonize rates at the earliest opportunity after the five-year rate freeze period” (Exhibit A, Tab 2, Schedule 1, page 7). The Updated Application does not contain a similar “proposal” and indicates that the approach adopted “will depend on the situation at the time of setting new rates for Norfolk”. Please explain why and under what circumstances, HONI now believes it would be inappropriate to harmonize distribution rates after the five-year freeze.