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**Jeffrey Smith**

Director, Regulatory Finance  
Regulatory Affairs



BY COURIER

March 25, 2014

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

Dear Ms. Walli:

**EB-2014-0014 – Rainy River Resources Ltd S92 Application – Hydro One Networks Inc.  
Interrogatory Questions**

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Please find attached Hydro One Networks Inc.'s Interrogatory questions to Rainy River Resources Ltd. Two (2) hard copies will be sent to the Board shortly.

An electronic copy of the Interrogatories has been filed using the Board's Regulatory Electronic Submission System (RESS).

Sincerely,

ORIGINAL SIGNED BY JEFFREY SMITH

Jeffrey Smith

c. Rainy River Resources Ltd.

# HYDRO ONE NETWORKS INC. INTERROGATORY QUESTIONS TO RAINY RIVER RESOURCES LTD.

## PREAMBLE

A distributor is obliged by legislation (*the Electricity Act*, 1998) to connect and serve customers in its Service Area, while meeting certain requirements respecting service quality, reliability and cost. Distributors must meet these and other obligations even when their customers reside on the other side of the road behind high-voltage transmission lines. The increasing need of electricity ‘generator-transmitters’ and distributors to share the same rights of way, therefore, also implies the need to share certain responsibilities and incremental costs fairly.

## INTERROGATORY # 1

An arrangement with the local distributor in the area, Hydro One Networks (“Networks”), has not yet been completed. How does the Applicant plan to address operational issues with distribution facilities in the vicinity of the proposed transmission facilities?

## INTERROGATORY # 2

Hydro One Networks will likely require access to properties of its distribution customers which may lie behind the Applicant’s high voltage line, to, among other things, provide a new connection, upgrade or expand existing service, maintain or repair its assets or restore power. This would require that Networks route its line across the road and undertake a “perpendicular crossing” of the Applicant’s assets and share the right of way. To physically accommodate this access, a variety of scenarios are being considered, such as:

- Networks installing underground assets;
- The Applicant installing a new pole mid-span at Networks’ request to accommodate a specific road crossing or changing existing poles with higher ones

These different types of configurations could drive higher costs that Networks, or a new electrical customer in the subject area, would not have otherwise incurred in the absence of the Applicant’s adjacent facilities.

- a) Does the Applicant believe that these higher costs are in the interest of ratepayers, and that ratepayers should therefore bear the incremental costs via a Board-approved mechanism?
- b) Does the Applicant agree that Networks and its customers should be required to bear only those “base” costs that it would normally have incurred in the absence of the Applicant’s assets, and that the Applicant should bear any incremental costs that Networks may incur over and above those “base” costs?

- 1           c) What principles and methodology would the Applicant suggest for allocating the higher  
2           costs between itself and Networks in cases such as the above?

3  
4       **INTERROGATORY # 3**

5  
6       What is the Applicant's process for notifying Networks of its ongoing plans where Networks'  
7       involvement is required?