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File 23591

VIA RESS FILING and COURIER

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Ms. Kirsten Walli, Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4


Dear Ms. Walli:

**Re: Hydro One - Transmission Reinforcement Leave to Construct –
Phase II – Cost Allocation (EB-2013-0421)**

Attached please find the Power Workers' Union's questions to clarify
interrogatory responses with respect to the above-noted application.

Yours very truly,

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP



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Encl.

c: Applicant and Intervenors
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IN THE MATTER OF the Ontario Energy Board Act, 1998,
S.O. 1998, c.15, Schedule B;

AND IN THE MATTER OF an application by Hydro One Networks Inc. for an order or orders pursuant to section 92 of the Ontario Energy Board Act, 1998 (as amended) granting leave to construct transmission line facilities in the Windsor-Essex Region, Ontario.

(PHASE II)

**POWER WORKERS' UNION'S INTERROGATORY RESPONSE CLARIFICATION
QUESTIONS**

PWU-1

Ref (a): Attachment E to Notice of Amendments to Codes and Notice of Proposals to Amend a Code, Supplementary Proposed Amendments to the Transmission System Code. August 26, 2013, EB-2011-0043.

Section 6.3 of the Transmission System Code is amended by adding new sections 6.3.8A, 6.3.8B and 6.3.8C.

Ref (b): Exhibit B, Tab 4, Schedule 4. OPA Cost Responsibility Evidence, Pages 7-8.

It is the OPA's view that the most appropriate way to apportion costs between load customers and transmission ratepayers in accordance with the Board's beneficiary pays principle is to apportion the cost of the SECTR project by reference to the costs that load customers and ratepayers would have to pay were customer and system needs to be individually addressed, rather than addressed through the proposed integrated SECTR project.

...

In accordance with the beneficiary pays principle, the OPA proposes that the SECTR project costs should be allocated in proportion to what load customers and transmission ratepayers would respectively have had to contribute towards the combined cost of individual solutions. Under this proposed allocation, approximately 77.5% of the SECTR costs would be paid for by local load customers (\$77.4 million/\$99.9 million) and approximately 22.5% by transmission ratepayers (\$22.5 million/\$99.9 million). This, in the OPA's view, is a fair method of allocating the total project costs based on the beneficiary pays principle, as both load customers and transmission ratepayers realize cost savings.

Ref (c): Exhibit I-P2, Tab 1, Schedule 2, Interrogatory a).

Interrogatory

- (a) OEB staff understands from the application that the SECTR project does not “exceed the capacity needs of the triggering load customer(s)”. Is that understanding correct? If not, please identify the extent that the SECTR project exceeds the needs of the triggering load customer(s).

Response

- a) OEB staff’s understanding is correct. The SECTR project does not “exceed the capacity needs of the triggering load customer(s)”.
- a) In Hydro One’s view, is the apportionment of costs between load customers and transmission ratepayers as described by the OPA in Ref (b) consistent with the proposed amendments to the TSC indicated in Ref (a)?
- b) If the answer to Question (a) is no, does Hydro One think that the TSC would require further amendments to ensure consistency between the TSC amendments described in Ref (a) and the OPA-proposed methodology in Ref (b) as well as to ensure the consistent application of the principle of “beneficiary pays”?
- c) As per Ref (c), the SECTR project does not exceed the capacity needs of the triggering load customer(s). In this context, is it Hydro One’s understanding that consistency with the new sections of 6.3.8A, 6.3.8B and 6.3.8C would require that the totality of the cost of the SECTR project be apportioned to triggering load customers?

PWU-2

Ref (a): Exhibit I-P2, Tab 1, Schedule 8, Interrogatory b).

Interrogatory

- (b) Given the proposed allocation of connection asset costs, please explain why addressing the limitations associated with Brighton Beach GS is not included in the list above.

Response

- b) The SECTR Project is not being undertaken for the purpose of addressing limitations associated with Brighton Beach generation. Consequently, it is not included in the “Needs Classification” list. However, once in place, the SECTR Project facilities will provide opportunity to mitigate those limitations, as a side benefit.
- a) Had the limitations associated with Brighton Beach generation been included in the “Needs Classification”, please describe the basis and criteria that would have been

used to apportion the cost of the SECTR project among load customers, transmission ratepayers and Brighton Beach generation?