



May 29, 2015

Ontario Energy Board  
Attn: Kirsten Walli, Board Secretary  
PO Box 2319  
27th Floor  
2300 Yonge Street  
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: Hydro One Networks Inc. Leave To Construct Phase 2 – Notice of New Cost Allocation Issue  
Board File No. EB-2013-0421 Technical Conference Questions**

Pursuant to Procedural Order No. 5, issued May 22, 2015, attached please find the Technical Conference Questions of the EDA to Hydro One Networks Inc., in Phase 2 of the EB-2013-0421 proceeding.

Please direct all questions about the EDA's participation in this consultation to Maurice Tucci, Director, Regulatory Affairs and Technical Policy at [mtucci@eda-on.ca](mailto:mtucci@eda-on.ca) or 905-265- 5336.

Sincerely,

John Loucks  
Executive Vice President  
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## **Reference: Electricity Distributors Association (EDA) INTERROGATORY #1**

“Section 6.5.2 of the TSC applies only to Hydro One Distribution in this case, as the sole transmission-connected customer. The cost allocation methodology proposed by Hydro One does not attempt to apply any such risk classifications to the distribution connected customers. However, to mitigate risk during the construction phase of a project, Hydro One proposes to collect a security deposit from customers based on the methodology set out in section 2.3 of Hydro One’s OEB-approved Connection Procedures.”

In addition, Board Staff Interrogatory #4 Response provides a list of 34 customers who submitted applications to Hydro One for connection in the years 2011 to 2014. Their summer peak load sums to 20.5 MW. The spreadsheet I-P2-11-02-A1 shows 2019 load associated with the project as 38.5 MW for 2019.

### **Clarifying Questions:**

- (a) Who are the “customers” from whom Hydro One proposes to collect a security deposit? Are the “customers” referred to the embedded distributors, or load customers (end users) of Hydro One Distribution, or both?
- (b) Has Hydro One collected, or does it intend to collect security deposits from the 34 customers listed in Board Staff IR #4?
- (c) Please clarify whether the 38.5 MW of load shown in I-P2-11-02-A1 is entirely made up of new loads of Hydro One Distribution? If not, what loads are included? If yes, are these entirely new and added large customers, or do they include growth of smaller customer loads on the system?
- (d) Please reconcile the figure of 38.5 MW in I-P2-11-02-A1 with the total load of 34 customers in Board Staff IR #4 (20.5 MW). Is the difference between these figures due to inclusion of loads other than Hydro One customers, does it include customers who have submitted or are expected to submit connection applications after 2014, or is the difference some other variable? If it is some other variable, please explain?
- (e) Does Hydro One anticipate being able to collect security deposits in respect of 38.5 MW of load (or more) before commencing construction? If not, what is the amount of load for which Hydro One has collected or is certain of collecting security deposits?
- (f) If Hydro One does not expect to be able to collect deposits in respect of 38.5 MW of load, how will the risk associated with the rest of the load be addressed?
- (g) Does Hydro One have specific customer names and load information for all of the load representing the difference between 38.5 MW and 20.5 MW? What does Hydro One regard as the probability that these loads will actually be added and pay revenues to the system?

## **Reference: Electricity Distributors Association 1 (EDA) INTERROGATORY #6**

### **Interrogatory**

Please specify how growth in generation embedded in distribution systems and CDM have been accounted for, or are proposed to be accounted for, in computing incremental non-coincident peak load for purposes of allocation.

## Response

The proposed cost allocation between load customers and transmission ratepayers provided by the IESO, was not based on peak load, and is therefore independent of growth in distributed generation and conservation. Rather, the proposed cost allocation apportioned the total cost by reference to the costs that load customers and transmission ratepayers would otherwise have to pay if they were to individually address customer and system needs, rather than addressing them through the proposed integrated solution.”

## Clarifying Question:

Please specify how growth in generation embedded in distribution systems and CDM have been accounted for, or are proposed to be accounted for, in computing increment non-coincident peak for purposes of allocation ***of the proposed customer portion of costs among Hydro One Distribution and the embedded distributors?***