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BY EMAIL and RESS

June 6, 2016
Our File: EB20160050

Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
M4P 1E4

Attn: Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: EB-2016-0050 – Hydro One GLPT MAAD – SEC Interrogatories

We are counsel to the School Energy Coalition (“SEC”). Enclosed, please find interrogatories on behalf of SEC.

Yours very truly,
Jay Shepherd P.C.

Original signed by

Mark Rubenstein

cc: Wayne McNally, SEC (by email)
Applicant and intervenors (by email)

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IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Sched. B, as amended;

AND IN THE MATTER OF an application made pursuant to section 86(2)(b) of the *Ontario Energy Board Act, 1998* by Hydro One Inc. for leave to purchase all issued and outstanding voting securities of Great Lakes Power Transmission Inc.

INTERROGATORIES

ON BEHALF OF THE

SCHOOL ENERGY COALITION

SEC-1

[A-1-1, p.1] Does Great Lakes Power Transmission (“GLPT”), or any of its affiliates, require approval from the Board pursuant to section 86(1)(a) of the Ontario Energy Board Act? If so, is this application seeking such approval?

SEC-2

[A-1-1] Please provide a copy of all material provided to the Applicant’s Board of Directors, related to the approval of the transaction.

SEC-3

[A-1-1, p.3] Please provide the premium paid by Hydro One. Please provide the derivation of the calculation.

SEC-4

[A-1-1, p.3] Please provide the forecasted transaction costs incurred by Hydro One, by year. Please provide a breakdown of those costs.

SEC-5

[A-1-1, p.8-9] The Applicant states that the rate rebasing deferral period will be 10 years for GLPT. Please reconcile that with the statement that GLPT is expected to file a rate application for its revenue requirement in 2017 and 2018, and then in 2019, its revenue requirement will be set by way of inflationary adjustment through to 2026, which would be 8, not 10 years.

SEC-6

[A-1-1, p.8] Please explain why, given this application and the proposed rebasing deferral period, it is appropriate for GLPT to bring an application for approval for 2017 and 2018 rates on a cost of service basis and have the deferral period begin in 2019.

SEC-7

[A-1-1, p.8] Please justify why a rate rebasing deferral period of 10 years is appropriate.

SEC-8

[A-1-1-Attach, section 1.1.16] Please provide a copy of the ‘memorandum of agreement between GLPT and Power Workers’ Union C.U.P.E. Local 1000 dated November 23, 2015.

SEC-9

[A-1-1-Attach, section 6.3.2] Please explain the rationale for section 6.3.2.

SEC-10

[A-2-1, p.4] Please provide a copy of GLPT’s “draft capital expenditure plan”.

SEC-11

[A-2-1, p.4] With respect to the capital expenditure cost saving scenarios:

- a. Please provide a breakdown of Table 3, to show the specific areas of the potential cost savings per year.
- b. Please provide details of all assumptions used in the calculations.

SEC-12

[A-2-1, p.5] With respect to the capital expenditure cost saving scenarios:

- a. Please provide the basis, including all underlying documentation, that the Applicant used to derive the GLPT “OM&A Cost Forecast Without Transaction” forecast (Table 4).
- b. Please provide a breakdown of Table 7, to show the specific areas of the potential cost savings per year.
- c. Please provide details of all assumptions used in the calculations.

SEC-13

[A-2-1, p.8-9] Please provide all calculations and assumptions made with respect to the forecast of the UTR with and without the transactions for both, the base and high case scenarios.

SEC-14

[A-2-1, p.4-9] Based on the forecasted capital and OM&A cost savings, forecasted under both the base and high case scenarios, please provide an estimated actual ROE for GLPT for each year between 2017 and 2026.

SEC-15

[A-2-1, p.4-9] Please explain why there are no forecasted capital and OM&A cost savings under both the base and high case scenarios for 2017 and 2018.

SEC-16

[A-2-1, p.9] Please advise whether Applicant would consider it appropriate for the Board to make commitments to maintain or improve reliability as a condition of its transmission license. If the Applicant does not consider that appropriate, please explain why.

SEC-17

[A-2-1-p.8-9] What harm, if any, does the Applicant believe that increasing its share of the transmission system in Ontario from 94.6% to 96.8% will have on ratepayers. Please provide a copy of all submissions, information and materials provided to the Competition Commissioner related to the transaction.

SEC-18

[A-3-1, p.1] Please provide any analysis or evidence to justify why a 0% productivity factor for transmission is appropriate.

SEC-19

[A-3-1, p.1] Please explain what the Applicant means by the "... given that the circumstances in this case concern transmission entities..."

SEC-20

[A-3-1, p.1] Please explain why the Applicant believes a stretch factor of 0% is appropriate.

SEC-21

[A-3-1, p.1] Please provide a copy of all benchmarking studies or analysis undertaken by GLPT, or by the Applicant which includes GLPT in it, in the last 5 years.

SEC-22

[A-3-1, p.1] Please provide the actual regulated ROE for GLPT for the last 5 years.

SEC-23

[A-3-1, p.1] Based on the forecasted capital and OM&A cost savings forecasted under both the base and high case scenarios, please provide an estimated actual ROE for GLPT for each year between 2017 and 2026.

Respectfully submitted on behalf of the School Energy Coalition this 6th day of June, 2016

Original signed by

Mark Rubenstein
Counsel for the School Energy
Coalition