

**Ontario Energy Board**  
P.O. Box 2319  
27th Floor  
2300 Yonge Street  
Toronto ON M4P 1E4  
Telephone: 416-481-1967  
Facsimile: 416-440-7656  
Toll free: 1-888-632-6273

**Commission de l'énergie de l'Ontario**  
C.P. 2319  
27e étage  
2300, rue Yonge  
Toronto ON M4P 1E4  
Téléphone: 416-481-1967  
Télécopieur: 416-440-7656  
Numéro sans frais: 1-888-632-6273



**BY EMAIL**

August 25, 2016

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: OEB Staff Interrogatories  
E.L.K. Energy Inc.  
Application for Service Area Amendment  
OEB File No: EB-2016-0155**

In accordance with Procedural Order No. 1, please find enclosed OEB staff interrogatories in the above mentioned proceeding.

Yours truly,

*Original signed by*

Irina Kuznetsova  
Case Manager

Attachment

**OEB Staff Interrogatories**  
**Application for Service Area**  
**Amendment**

**E.L.K. Energy Inc. (ELK)**

**EB-2016-0155**

**August 25, 2016**

1. Reference: Section 7.1.4 (f)

a) ELK states that its existing facilities will provide for expansion of load in the area that is the subject of the SAA application.

- i. Identify existing capacity available for the new customer connection.
- ii. What load growth by Sellick Equipment Limited can be accommodated by ELK without expansion of ELK's distribution system?
- iii. Would the remaining capacity on the existing feeders be sufficient to provide service to future developments in the areas within ELK's current service territory, in addition to the proposed development and its potential expansion?

b) ELK refers to the Attachments 1.4, 1.6 and 1.7, which show the ELK's existing facilities in relation to the lot that is subject to this SAA application to conclude that "*this represents the most effective use of existing resources*".

- i. Provide good quality, clear and readable maps with a detailed legend as the maps provided with the application are very difficult to read and understand.
- ii. Explain in detail how the location of the existing facilities represents the most effective use of existing resources.

2. Reference: Section 7.2.1(b)

ELK states that the incumbent's plans to connect the customer (a new tangent pole, road crossing overhead primary conductor and a new riser pole) will duplicate the ELK's existing infrastructure.

- i. Identify ELK's specific distribution assets which will be duplicated if Hydro One connects the customer.
- ii. Provide a detailed map to support your answer.

3. Reference: Section 7.2.1(g)

ELK states that the existing infrastructure located on or immediately adjacent to, will provide for cost-efficient expansion if there is growth potential in the area that is the subject of the SAA application and in regions adjacent to the area that is the subject of the SAA application.

- i. Provide specific examples supporting this statement.

4. Reference: Section 7.2.1(h)

ELK states that the existing infrastructure located on or immediately adjacent to, will provide for cost-efficient improvements and upgrades in the area that is the subject of the SAA application and in regions adjacent to the area that is the subject of the SAA application.

- i. Provide specific examples supporting this statement.

5. Reference: Attachment 1.6 - Applicant's and Incumbent's Existing Assets and proposed Demarcation Points.

In this attachment, ELK identifies two poles to be relocated. ELK states that these poles *"must remain to serve the applicant's existing customers to the East so it will be shifted South-West out of the roadway to the first streetlight location"*.

- i. Would these poles be relocated for the sole purpose of accommodating connection of the new customer?
- ii. Provide relocation costs and explain how these costs will be recovered. Specify whether these costs were included in ELK's offer to connect and economic evaluation. If not, explain why not.

6. Reference: Section 7.3.2 Comparison of monthly cost to the customer.

In this section ELK provides two tables, A and B, for the purposes of comparing cost to the customer and concluded that monthly cost savings

would be \$3,162.92 if ELK is to connect the customer. ELK also provided a table which also compared cost to the customer, but the savings are estimated at \$865.76.

- i. Explain what amount should be considered by the OEB in assessing your application.
- ii. Provide a detailed comparison of monthly costs payable to ELK and Hydro One in an Excel spreadsheet. Provide all applicable assumptions for the estimates, i.e. load estimate (must be the same for both distributors) primary metering or secondary metering, loss factors, applicable tariffs, etc.
- iii. Low Voltage Service Rate: explain whether additional load associated with connection of the new customer would impact low voltage charges paid by ELK's customers. Provide an estimate of potential increase, if applicable.

7. Reference: Section 7.3.8

Section 7.3.8 asks for a description of any existing load transfers or retail points of supply that will be eliminated. ELK states: *"by way of this SAA, the applicant is looking to preclude the creation of new load transfers or new retail points of supply."*

- i. Explain this statement in detail. Demonstrate on the map where a new retail point of supply would be created if the SAA application is not granted.
- ii. Explain how the connection of this customer to Hydro One's distribution system would trigger the creation of new load transfers.
- iii. In making this statement, has ELK taken into consideration section 6.5 Load Transfers of the Distribution System Code and specifically section 6.5.6, which states that a distributor shall not enter into any new load transfer arrangements?

8. Reference: Section 7.5.3

Section 7.5.3 requires applicants to file financial evaluations carried out in accordance with Appendix B of the Distribution System Code. In addition to costs associated with the connection, applicants are required to provide the present value of incremental OM&A costs and incremental taxes as well as expected incremental revenue, the amount of revenue shortfall and the capital contribution requested. This filing requirement has not been met by ELK.

- i. Provide a detailed economic evaluation in accordance with Appendix B of the Distribution System Code. Outline all assumptions and include all calculations to demonstrate how you have arrived at the final numbers used in the economic evaluation.

9. Reference: Section 7.5.4

ELK provided a copy of Hydro One's offer to connect. However, the information provided does not offer a clear comparison of the costs incurred by each distributor. As part of the economic efficiency test it is appropriate for the OEB to review and understand **all** projected costs associated with expansion of the distribution system in order to connect the new development by each distributor.

- i. Provide a table which sets out (side by side) all itemized costs, non-contestable and contestable, to connect the development by each distributor.
- ii. Identify any civic work and the entity responsible for the completion of the civic work.