

**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**

October 6, 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  
Board File No: EB-2016-0155**

In accordance with Procedural Order No. 1, please find enclosed OEB staff interrogatories on evidence filed by Hydro One Networks Inc. in the above proceeding.

Yours truly,

*Original signed by*

Irina Kuznetsova  
Case Manager

Attachment

# **OEB Staff Interrogatories**

**On Evidence Filed by Hydro One Networks Inc.  
(Hydro One) on September 22, 2016**

**Application for Service Area Amendment**

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

**EB-2016-0155**

October 6, 2016

1. Ref: Hydro One Evidence, Page 4

Hydro One states that its costs to connect the customer are lower than the applicant's and has provided a table for comparison purposes. However, only non-contestable costs were included in the table. The proper application of the economic evaluation model relies on factoring in the total capital costs of the project, including the costs of the contestable work. The economic evaluation model considers capital tax and depreciation costs, etc., so by excluding the capital costs of the contestable work, the model would not be providing an accurate picture. Therefore:

- a) Provide a table including a breakdown of all the non-contestable and contestable costs to connect the customer.
- b) Provide Hydro One's **detailed** economic evaluation based on the methodology and **inputs** described in Appendix B of the Distribution System code. Provide a detailed description of all capital costs included in the economic evaluation. Provide the capital contribution amount resulting from the economic evaluation, which will be required from the customer, if applicable.

2. Ref: Hydro One Evidence, Pages 6 and 7

Hydro One states that ELK has relocated its existing infrastructure into Hydro One's service territory in order to serve the customer. Hydro One also states that had ELK consulted with Hydro One, a more economical and technically feasible solution could be found.

- a) Please provide an example of an alternative solution that Hydro One could have proposed to ELK.
- b) If ELK's application is approved, would there be any Hydro One stranded assets resulting from ELK's poles relocation? If yes, describe these assets and provide the costs.

- c) If ELK's application is not approved, considering that these assets have been relocated into Hydro One's service territory, would ELK be able to use these relocated assets to serve other ELK customers or would these assets become stranded?

3. Ref: Hydro One Evidence, Page 7

*Hydro One states that "...had ELK thoroughly investigated the needs of the Customer, in concert with the incumbent distributor, this prematurely-filed SAA could have been avoided. This would have improved the customer experience, mitigated costs to the system, and, in so doing, improved the overall quality of service provided to the Customer".*

- a) Please quantify this statement, specifically the costs to the system. Also describe how the overall quality of service provided to the customer could have been improved.