



PUBLIC INTEREST ADVOCACY CENTRE  
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February 7, 2019

VIA E-MAIL

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
Toronto, ON

Dear Ms. Walli:

**Re: EB-2018-0130 – Hydro One Network 2019 Transmission Revenue Requirement  
Interrogatories of the Vulnerable Energy Consumers Coalition (VECC)**

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Please find attached the interrogatories of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Yours truly,

A handwritten signature in black ink, appearing to read 'M Garner', is written in a cursive style.

Mark Garner  
Consultants for VECC/PIAC

Ms. Linda Gibbons, Senior Regulatory Coordinator – Regulatory Affairs Hydro One Networks Inc.  
[regulatory@HydroOne.com](mailto:regulatory@HydroOne.com)

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For interrogatory clarifications please contact Mark Garner at 647-408-4501 or [markgarner@rogers.com](mailto:markgarner@rogers.com)

**REQUESTOR NAME**            **VECC**  
**TO:**                                **Hydro One Networks Inc. - Transmission**  
**DATE:**                            **February 7, 2019**  
**CASE NO:**                        **EB-2018-0130**  
**APPLICATION NAME**            **2019 UTR Application**

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**1.0 EXHIBIT A / TAB 1 – EXHIBIT LIST**

N/A

**2.0 EXHIBIT A/TAB 2 - APPLICATION**

2.0-VECC-1

Reference: Exhibit A/Tab3/Schedule 1, pg.2

- a) Please list the “*directions arising from the OEB’s decision in the 2017-2018 transmission rate proceeding (EB-2016-0160) [that] will not be addressed in this Application as they are beyond the scope of the approvals sought.*”

**3.0 EXHIBIT A / TAB 3 – EXECUTIVE SUMMARY**

3.0-VECC-2

Reference: Exhibit A, Tab 3, Schedule 1, pg.8

- a) What evidence is Hydro One relying upon to support the proposal for leaving the 2019 charge determinants unchanged?

3.0- VECC-3

Reference: Exhibit A, Tab 3, Schedule 1, pg. 12

- a) Given the Board has announced its policy with respect to the treatment of pensions and other post-employment benefits (OPEBs) in its EB-2015-0040 Report of September 14, 2017, what is the reason/benefit of deferring this policy’s implementation until a later date.

#### **4.0 EXHIBIT A / TAB 4 – REVENUE CAP INDEX**

4.0 –VECC -4

Reference: Exhibit A, Tab 4, Schedule 1, page 2

- a) Please explain why a “Capital Factor” is no longer a relevant consideration and why a “*forward-looking [capital] analysis may no longer reflect Hydro One’s future total costs.*”

#### **5.0 EXHIBIT A / TAB 5 – BILL 2 ADJUSTMENTS**

N/A

#### **6.0 EXHIBIT A / TAB 6 – DEFERRAL AND VARIANCE ACCOUNTS**

6.0-VECC-5

Reference: Exhibit A, Tab 6, Schedule 1, pgs. 4-5, Account 2405

- a) Please explain how the revenue for secondary land use of \$15.4 and \$15.6 were calculated for 2017 and 2018.
- b) Please explain why the amount generated for secondary land use was significantly below that forecast incorporated into rates (\$28.2 and \$28.5 vs. \$15.4 and \$15.6 for 2017 and 2018 respectively).

6.0-VECC-6

Reference: Exhibit A, Tab 6, Schedule 1, Account 2405

- a) Please explain how the revenue for external station maintenance (et.al.) revenues were calculated for 2017 and 2018
- b) Please explain why the amount generated from these activities was significantly below that forecast and incorporated into rates (\$28.2 and \$28.5 vs. \$12.8 and \$12.9 for 2017 and 2018 respectively).

6.0-VECC-7

Reference: Exhibit A, Tab 6, Schedule 1, pg.6 Account 1582

- a) Please describe the tax change which caused amounts to be recorded in this account.
- b) Given the balance of the account is below the materiality threshold of Hydro One was is this amount being sought for disposition?

6.0-VECC-8

Reference: Exhibit A, Tab 6, Schedule 1, page 11, Account 1508

- a) Please explain why Hydro One is proposing to dispose of its OEB Cost Differential Account when the account balance (\$-1.3m) is below the Utility's materiality threshold of \$3.0 million.
- b) Please explain how the variance of \$-1.3 million was calculated. Specifically explain how the variance accounts for only the change in the OEB's assessment methodology and eliminates all of other forecast variances.

6.0-VECC-9

Reference: Exhibit A, Tab 6

- a) Given the recent Order-in-Council 52/2019 designating NextBridge to build and operate the East-West Tie why is Hydro One not seeking disposition of the balances in Account 1508 with respect to East-West Tie activity?
- b) Please explain the rationale for the continuance of sub-accounts 1508 with respect to the sub-accounts for:
  - i) Long-term Transmission Future Corridor Acquisition and Development
  - ii) East-West Tie

Specifically address what projects are being considered with respect to these accounts which argue for their continuance.

#### 6.0-VECC-10

Reference: Exhibit A, Tab 6

- a) Please provide the letter from the IESO requesting Hydro One complete preliminary work for the North-West Bulk Transmission line.

#### 6.0-VECC-11

Reference: Exhibit A, Tab 6, Schedule a, pg. 15- Capital Additions Variance Account

- a) Please provide a table showing by capital budget category (i.e. Sustaining, Development, Operations, Common Corporate costs Capital) the actual in-service amounts and the forecast amounts for the years 2016 through 2018.

#### 6.0-VECC-12

Reference: Exhibit A/T6/S1, pages 9-10  
EB-2016-0160, Board Decision (October 11, 2017), page 74

- a) Given that the Board's direction to Hydro One to maintain the LDC CDM and Demand Response Variance Account was issued roughly a year before the current Application was filed, please describe Hydro One's efforts to date to determine the variances to be recorded in this account for 2017 and 2018. Please include in the response: i) sources identified for of data regarding actual savings and ii) methodologies being considered for calculating the annual variances.

### **7.0 EXHIBIT A / TAB 7 – RATE DESIGN**

#### 7.0-VECC-13

Reference: Exhibit A/T7/S1, page 2  
EB-2016-0160, Exhibit E1/T2/S1, page 2

- a) Please explain why no adjustment is made to the 2018 approved values for the following items for purposes of establishing the 2019 Rates Revenue Requirement: i) External Revenue, ii) WMS Revenue and iii) Export Tx Service Revenue. In the case of External Revenue, please address each of the revenue sources set out EB-2016-0160, Exhibit E1/T2/S1, page 2 separately.

## 7.0-VECC-14

Reference: Exhibit A/T7/S1, pages 2-3 and page 5  
OEB Decision, EB-2016-0160 (2018 Transmission Revenue Requirement and Charge Determinants), December 20, 2017, Schedule B

- a) Please provide an allocation of the proposed 2019 Rates Revenue Requirement to Rate Pools using the format/approach set out in Schedule B of the Board's EB-2016-0160 Decision but substituting the 2019 proposed values.
- b) Please provide the 2019 UTRs (per page 7) that would result from the rate pool allocation determined in part (a).

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