

February 15, 2019

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
P.O. Box 2319
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

Re: EB-2018-0316 – IESO/SME - Application by Hydro One Inc. to Purchase and Consolidate the Assets of Peterborough Distribution Inc.

Please find, attached, the interrogatories from the Consumers Council of Canada in the above-referenced proceeding.

Yours truly,

Julie E. Girvan

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CC: Hydro One, Regulatory Affairs
Peterborough Distribution Inc.
Mark Rodger, BLG
Richard King, Osler, Hoskin and Harcourt
All parties

INTERROGATORIES FROM THE CONSUMERS COUNCIL OF CANADA

EB-2018-0242

HYDRO ONE INC. PURCHASE OF PETERBOROUGH DISTRIBUTION INC.

MADDS APPLICATION

CCC-1

More than 20 letters of comment have been filed with the OEB regarding the proposed transaction. Have the Applicants responded to these letters of comment? If so, please provide those responses. If not, please explain why the letters have not been responded to.

CCC-2

What are Hydro One Inc.'s objectives regarding the proposed purchase of PDI's distribution assets?

CCC-3

Please explain what the City of Peterborough's objectives are with respect to the sale of Peterborough Distribution Inc.

CCC-3

(Ex. A/T1/S1/p. 6)

The evidence refers to the utilization of the incremental capital investment model ("ICM"). Does HOI intend to apply for ICM relief for the Peterborough service territory during the deferred rebasing period? If so, how often? If so, how will the commitment to the 1% decrease in delivery rates in years 1-5, and the commitment to limit rate increases in years 6-10 to levels that are less than inflation be maintained?

CCC-4

(Ex. A/T1/S1/p. 6)

The evidence states that the implementation of a guaranteed ESM protects PDI ratepayers from the risk of Hydro One failing to achieve the forecast level of synergy. Please explain how it protects ratepayers. How was the ESM amount derived? How is it being funded?

CCC-5

(Ex. A/T1/S1/p. 8)

The evidence states that 1937680 and Hydro One are applying for approval to continue to track costs to the regulatory asset accounts currently approved by the OEB for PDI and to seek disposition of their balances at a future date. Please explain how the disposition of these accounts might impact the bills of the PDI customers in the future.

CCC-6

(Ex. A/T1/S1/p. 10)

The evidence states that the transaction will ultimately create downward pressure on cost structures across both Hydro One and PDI service territories. Please provide copies of all studies and reports that examined how the transaction would “ultimately create downward pressure on cost structures across both Hydro One and PDI service territories.”

CCC-7

(Ex. A/T2/S1/p. 2)

With respect to Table 1: Projected Cost Savings please explain, in detail, how all of the numbers were derived.

CCC-8

(Ex. A/T2/S1/p. 3)

Please provide evidence to support the statement that, “... it is reasonable to believe that if this transaction proceeds , Hydro One will be able to serve PDI’s service area , which has 37,000 customers and a density of 65 customers per km per line, at a cost that is comparable to Hydro One’s UR rate class.”

CCC- 9

Please provide a list of all customer engagement activities Hydro One, PDI or the City of Peterborough undertook related to the transaction. Please provide the results of all of those engagement activities.

CCC-10

(Ex. A/T2/S1/p. 6)

Please provide the current Conditions of Service for HON and for PDI. Will HON’s Conditions of Service be applied to PDI customers? Please provide Specific Service Charges for both HON and PDI.

CCC-11

(Ex. A/T2/S1/p. 7)

The Applicants are seeking a Deferred Rebasing Period of 10 years. Under what circumstances would HOI seek to rebase earlier?

CCC-12

Please provide all material provided to Hydro One Inc.’s Board of Directors regarding this transaction. When did the Board of Directors approve the transaction?

CCC-13

(Ex. A/T2/S1/p. 8)

Please explain how the proposed transaction “protects” Hydro One’s existing legacy customers.