May 22, 2019

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

Dear Ms. Walli:

Re: EB-2018-0242 – Hydro One Networks Inc./Peterborough Distribution Inc. – MADDs Application - Interrogatories on the Supplemental Evidence

Please find, attached, interrogatories on behalf of the Consumers Council of Canada for Hydro One Inc. and Peterborough Distribution Inc. pursuant to the above-referenced proceeding regarding the Supplemental Evidence filed On April 26, 2019.

Please feel free to contact me if you have questions.

Yours truly,

Julie E. Girvan

Julie E. Girvan

CC: All parties
Mark Rodger, BLG
Richard King, Oslers
Hydro One, Regulatory Affairs
PDI, Regulatory Affairs

INTERROGATORIES FROM THE CONSUMERS COUNCIL OF CANADA

FOR HYDRO ONE NETWORKS INC. AND PETERBOROUGH DISTRIBUTION INC.

RE; EB-2018-0242 – MADDS APPLICATION – SUPPLEMENTAL EVIDENCE

CCC-14
Ex. A/T5/S1/p. 2
Please fully explain how the $9.3 million of "Savings Resulting From Hydro One's Acquisition of PDI" was derived. Is Hydro One prepared, at this time, to commit to setting rates for the PDI zone customers based on the "Total Residual Cost to Serve" upon rebasing? How will the $9.3 million of savings flow through to customers?

CCC-15
Ex. A/T5/S1/p. 2
Please describe, in detail, how Hydro One will track and report on the actual incremental, OM&A and capital costs to service PDI customers until the end of the ten-year deferral period. Please specifically define what is meant by "incremental" OM&A and capital costs? Please describe, in detail, the format in which these costs will be reported to the OEB.

CCC-16
Ex. A/T5/S1/p. 3
When does Hydro One propose that PDI is harmonized into Hydro One's rate structure?

CCC-17
Ex. A/T5/S1/p. 4
Is it Hydro One's current proposal that all acquired utilities' customers will have their own rate classes? Does this mean that they will never be harmonized with the other Hydro One rate classes?

CCC-18
Ex. A/T5/S1/pp. 1 and 7
The evidence states that Hydro One proposes to allocate shared costs to PDI's rate classes by apply the same cost allocation principles and allocators normally used in the OEB's cost allocation model to allocate such costs. When shared costs are allocated to PDI's customers upon rebasing, how will Hydro One ensure that it will, "result in rates that collect costs from PDI customers that are less than what those customers would have paid in the absence of the proposed transaction."? How will Hydro One demonstrate this to the OEB?

CCC-19
Ex. A/T5

If significant capital requirements for the PDI service territory during the deferred rebasing period, how will those be funded?

CCC-20
Ex. A/T5/S1p. 11
The evidence discusses savings and consolidation benefits. If those savings do not materialize how will PDI's customers be better off following the deferred rebasing period?