

**Daliana Coban**

Manager, Regulatory Law  
Toronto Hydro-Electric System Limited  
14 Carlton Street  
Toronto, ON M5B 1K5

Telephone: 416.542.2627  
Facsimile: 416.542.3024  
[regulatoryaffairs@torontohydro.com](mailto:regulatoryaffairs@torontohydro.com)  
[www.torontohydro.com](http://www.torontohydro.com)



July 3, 2019

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
PO Box 2319  
2300 Yonge Street, 27th floor  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Toronto Hydro-Electric System Limited ("Toronto Hydro")  
Custom Incentive Rate-setting ("Custom IR") Application for 2020-2024 Electricity Distribution  
Rates and Charges – Undertaking Response for J1.3 from Day 1  
OEB File No. EB-2018-0165**

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Please find enclosed a copy of Toronto Hydro's response to undertaking J1.3 provided on Day 1 of the Oral Hearing.

Please contact me directly if you have any questions or concerns.

Respectfully,

A handwritten signature in black ink, appearing to read "D. Coban", written over a horizontal line.

**Daliana Coban**

Manager, Regulatory Law  
Toronto Hydro-Electric System Limited

cc: Lawrie Gluck, OEB Case Manager  
Michael Miller, OEB Counsel  
Parties of Record  
Amanda Klein, Toronto Hydro  
Daliana Coban, Toronto Hydro  
Charles Keizer, Torys

**ORAL HEARING UNDERTAKING RESPONSES TO  
SCHOOL ENERGY COALITION**

**UNDERTAKING NO. J1.3:**

**Reference(s):**

To advise which assets are being replaced, because of PCBs, that is, would not show up in that original asset condition assessment.

**RESPONSE:**

Toronto Hydro originally planned to replace 1,667 transformers in the Underground System Renewal Program (Horseshoe) during the 2015-2019 period, and is now on track to complete 2,070 transformer replacements in the same period. The incremental replacements have primarily been the result of the need to address transformers that were not contemplated in the original plan and were identified as being at risk of leaking PCB-contaminated oil. This driver was previously discussed in response to interrogatory 2B-BOMA-88, where it was noted that “in 2015 and 2016, Toronto Hydro observed an increase in the number of oil spills containing PCBs (as shown in Exhibit 2B, Section C2, Figure 12, p. 24) and following analysis, determined that submersible transformers contributed disproportionately to the increase.” The annual count of transformers replaced as a result of this incremental driver is shown in Table 1 below.

**Table 1: Additional Transformer Replacements for PCB Risk Mitigation in the  
Underground System Renewal Program (2015-2019)**

Year	2015	2016	2017	2018	2019	Total
Number of Transformers	0	477	195	76	0	748

1 The remaining transformers replaced in this program during the 2015-2019 period were  
2 prioritized due to their risk of failure. Many of these transformers were also at risk of  
3 containing PCBs (i.e. in addition to the 748 noted in Table 1). As noted in Ms. Narisetty's  
4 testimony, PCB oil contamination is not reflected in the Asset Condition Assessment.<sup>1</sup>

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<sup>1</sup> EB-2018-0165, Oral Hearing Transcript Day 1 (June 27, 2019), page 56, lines 19-22