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**Frank D'Andrea**

Vice President, Regulatory Affairs & Chief Risk Officer

BY COURIER

August 19, 2019

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
Suite 2700, 2300 Yonge Street  
P.O. Box 2319  
Toronto, ON M4P 1E4

Dear Ms. Walli,

**EB-2019-0082 - Hydro One Networks' 2020-2022 Transmission Rates Application – Updated Interrogatory Response and Undertaking Submission**

Further to the technical conference held August 12 and 13, 2019 in respect of the above-noted proceeding, and to Mr. Keizer's letter dated August 15, 2019, attached please find responses to questions from Ontario Energy Board ("OEB") Staff or Pacific Economics Group Research LLC as follows:

1. An updated response to interrogatory I-01-OEB-012; and
2. A response to undertaking JT 2.36.

Electronic copies have been filed through the Ontario Energy Board's Regulatory Electronic Submission System (RESS).

Sincerely,

ORIGINAL SIGNED BY FRANK D'ANDREA

Frank D'Andrea

1 **OEB INTERROGATORY #12**  
2

3 **Reference:**

4 A-04-01-01  
5

6 **Interrogatory:**

7 PEG may wish to exclude certain operation, maintenance, and administrative (“OM&A”) expenses from the US data that they use in this proceeding out of concerns about structural changes in the U.S. transmission industry. They may need to remove analogous costs from Hydro One’s expenses. The excluded costs include those for load dispatching and system planning, which are often handled by regional transmission organizations and other independent system operators.  
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14 a) For all years covered by the PSE study, please provide estimates of Hydro One’s  
15 OM&A costs that are included in the PSE study which correspond to the following  
16 FERC accounts. We provide the RRR account numbers that we believe might match  
17 the FERC accounts excluded from the PEG study. The list includes the  
18 miscellaneous account, where sizable restructuring and/or RTO costs have  
19 occasionally been recorded. If Hydro One does not wish to provide a more exact  
20 customized calculation, providing data for each of the suggested RRR accounts will  
21 be sufficient. PEG does not need itemization of the various 561 and 569 accounts for  
22 Hydro One; a total for these accounts would suffice.

- 23 • Account 561: Load Dispatching (RRR account 4810)
- 24 • Account 561.1: Load Dispatch-Reliability (RRR account 4715 or 4810)
- 25 • Account 561.2: Load Dispatch-Monitor and Operate Transmission System (RRR  
26 account 4715 or 4810)
- 27 • Account 561.3: Load Dispatch-Transmission Service and Scheduling (RRR  
28 account 4715 or 4810)
- 29 • Account 561.4: Scheduling, System Control and Dispatch Services (RRR account  
30 4715 or 4810)
- 31 • Account 561.5: Reliability, Planning and Standards Development (RRR account  
32 4715 or 4810)
- 33 • Account 561.6: Transmission Service Studies (RRR account 4715 or 4810)
- 34 • Account 561.7: Generation Interconnection Studies (RRR account 4715 or 4810)
- 35 • Account 561.8: Reliability, Planning and Standards Development Services (RRR  
36 account 4715 or 4810)

Witness: Steve Fenrick

- 1 • Account 566: Miscellaneous Transmission Expenses (RRR account 4845)
- 2 • Account 567: Rents (RRR account 4850)
- 3 • Account 569.4: Maintenance of Miscellaneous Regional Transmission Plant
- 4 (RRR account 4715 (RRR account 4715 or 4810))

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 6 **Response:**

7 The table below contains Hydro One’s costs for USoA accounts 4810, 4845 and 6105  
 8 (Rights Payments component) which contain costs related to the items list in the  
 9 interrogatory above. As noted on page 151 of the transcript for day 2 of Technical  
 10 Conference in this proceeding (August 13, 2019), the requested information is not  
 11 available for all years of the study period. Hydro One has provided the information for all  
 12 available years (2008-2017) in the table below and also in Excel format as attachment 1  
 13 to this exhibit. As noted in Hydro One’s response to OEB Staff Interrogatory #15, rights  
 14 payments are contained in USoA account 6105 and were excluded in the cost definition  
 15 for the PSE productivity and benchmarking studies.

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 17 All amounts provided in the table below are in millions.

Year	4810 (\$)	4845 (\$)	Rights Payments 6105 (\$)	Total OM&A	4810 (% of OM&A)	4845 (% of OM&A)	Rights Payments 6105 (% of OM&A)	Total (4810, 4845, Rights Payments) (% of OM&A)
2008	5.2	29.4	2.7	373.8	1%	8%	1%	10%
2009	3.9	48.6	2.4	417.1	1%	12%	1%	13%
2010	3.7	45.3	2.6	420.8	1%	11%	1%	12%
2011	3.9	45.4	2.8	414.5	1%	11%	1%	13%
2012	3.4	54.3	3.5	415.2	1%	13%	1%	15%
2013	3.6	45.8	3.7	388.4	1%	12%	1%	14%
2014	3.1	38.0	3.0	399.5	1%	10%	1%	11%
2015	3.3	70.5	3.1	441.6	1%	16%	1%	17%
2016	2.7	51.0	3.9	408.1	1%	12%	1%	14%
2017	2.8	42.7	6.8	385.0	1%	11%	2%	14%
Average					1%	12%	1%	13%

