

**HYDRO ONE NETWORKS INC.**

**Application for electricity transmission rates for the  
period from January 1, 2020 to December 31, 2022**

**INTERROGATORIES OF THE  
LONDON PROPERTY MANAGEMENT ASSOCIATION  
TO PACIFIC ECONOMICS GROUP RESEARCH LLC (“PEG”)**

**Interrogatory #1**

Ref: Exhibit M1, pages 14-15

Based on the Hydro One evidence PRG states that the C-factor would average about 3.84% during the two indexing years of the plan, and the RCI growth rate would average 5.24%.

If the Ontario Energy Board were to accept all of the recommendations in the PEG Report, what would be the average RCI growth rate over the two indexing years of the plan?

**Interrogatory #2**

Ref: Exhibit M1, page 10

a) Please provide a list of jurisdictions where PEG is aware that the regulator has approved a negative base productivity trend.

b) Please provide a list of jurisdictions where PEG is aware that the regulator has approved a base productivity trend of 0 despite historical evidence of negative productivity.

**Interrogatory #3**

Ref: Exhibit M1, pages 11 & 14

On page 14 the evidence states that the average C factor is 3.84%. On page 11, the evidence states that proposed supplemental stretch factor of 0.42% would reduce the average C factor to an average of 3.50%. Please explain the difference between 3.84% and 3.50% (0.34%) and the 0.42%.

**Interrogatory #3**

Ref: Exhibit M1, pages 45

a) Please provide a numerical example that illustrates the recommendation that the company be permitted to keep 5% of the value of capex underspends based on an approved budget of \$1.3 billion in capital expenditures and actual capital expenditures of \$1.2 billion.

b) Is the 5% before or after tax?

c) Does the proposal apply to the IRM years (2021 and 2022) only or does it also apply to the cost of service test year (2020)?