**EB-2019-0082**

**ONTARIO ENERGY BOARD**

**IN THE MATTER OF** *the Ontario Energy Board Act*, *1998*, S.O.1998, c. 15, (Schedule B);

**AND IN THE MATTER OF** an Application by Hydro One Networks Inc. for an order or orders made pursuant to section 78 of the *Ontario Energy Board Act* approving rates for the transmission of electricity

**INTERROGATORIES FROM THE**

**SCHOOL ENERGY COALITION**

**ON THE PACIFIC ECONOMICS GROUP EVIDENCE**

1. [Ex. M1, p. 22] Please expand on PEG's critique of the loading factor/winter challenge variable developed by PSE.

2. [p. 43] To what extent is it possible for the Board to use benchmarking data to create an adjustment to the C-factor that exerts downward pressure on the excessive rate of capital spending? By way of example only, is it possible to construct a capital budget envelope for the Applicant that is partly based on the Applicant's specific budget (two-thirds, for example), and partly based on the forecast growth in the benchmark capital (the other one third, in this example), and if so how would that be similar to, or different from, the Ofgem approach? What other ways are available – other than a stretch factor based on benchmarking or benchmarked budget adjustments – to use benchmarking to contain capital spending levels?

3. [p. 45] Please expand on the "several" arguments in favour of "making the supplemental capital cost stretch factor even higher".

4. [p. 59] Please explain the expert's rationale for using a Canadian utility price deflator rather than an Ontario-specific utility price deflator.

5. [General] On pages 64-66 of PEG's evidence in EB-2018-0165 (Toronto Hydro), PEG discussed a number of issues associated with the funding of capital in custom IR. Please relate those comments to PEG's proposals for capital funding in this case, and discuss why PEG's particular proposals for Hydro One were made instead of other alternatives discussed in the Toronto Hydro report.

Submitted by the School Energy Coalition September 20, 2019.

***Jay Shepherd***
***Counsel for the School Energy Coalition***