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BY COURIER

September 26, 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 Network Inc.'s 2020-2022 Transmission Custom IR Application – Updated Interrogatory Responses

During preliminary matters on the second day of the technical conference, Hydro One's counsel handed out copies of a corrected interrogatory response to I-01-OEB-174. Enclosed is the corrected interrogatory response.

In addition, and by way of this letter, Hydro One is filing a revised interrogatory response to I-07-SEC-040.

This filing has been submitted electronically using the Board's Regulatory Electronic Submission System and two (2) hard copies wil be sent via courier.

Sincerely,

ORIGINAL SIGNED BY HENRY ANDRE ON BEHALF OF FRANK D'ANDREA

Frank D'Andrea

Enclosure: I-01-OEB-174; I-07-SEC-040

OEB INTERROGATORY #174

Reference:

F-03-01 p.2

Interrogatory:

At the above reference, it is stated that: "Hydro One relies on two main outsourcing arrangements in the operation of its businesses, one with Inergi LP ("Inergi") and another with Brookfield Asset Management."

a) Please state the percentage of Hydro One's total outsourcing dollars spent that are encompassed by these two agreements.

b) Please show the impact of the total outsourcing dollars on the 2020 test year revenue requirement, including the impacts on both 2020 OM&A and 2020 capital.

Response:

a) These 2 contracts represent 100% of outsourcing dollars spent.

b) The impact of the total outsourcing dollars on the 2020 test year revenue requirement is forecasted at $45.4 million.

   The impact on 2020 OM&A is forecasted at $42.9 million.

   The impact on 2020 capital is forecasted at $2.5 million.

SEC INTERROGATORY #40

Reference:
TSP-03-03, ISD-GP-12

Interrogatory:
With respect to Transport & Work Equipment:

a) Please provide a version of Table 1 and 2 that include total costs not just costs allocated to transmission.

b) With respect to the costs for 2018 to 2022, please explain the variance, if one exists, from the total costs that would have underpinned the distribution allocation in ISD GP-01 in EB-2017-0049)

Response:
a)

Table 1 - Forecast of Acquisitions for 2020 to 2022
($ millions)

Equipment Type[1]	2020	2021	2022
	Cost	Cost	Cost
Light	9.9	12.3	8.4
Heavy	12.3	9.6	15.3
Off-Road	4.5	4.5	4.2
Miscellaneous	1.8	2.1	0.6
Service Equipment	3.0	3.0	3.0
Helicopter	8.1	8.1	8.4
Total[2]	**39.6**	**39.6**	**39.9**

1. Light– cars, SUVs, pickups, vans
   Heavy– service trucks, highway tractors, radial boom derricks (RDB), bucket trucks
   Off Roads – rubber tire, tracked equipment
   Miscellaneous – boats, chippers, tensioners, manlifts, forklifts
   Service Equipment – snowmobiles, ATVs, managed Fleet Services.

2. Total investment costs are based on average unit costs and relate to approximately 400 units annually

Table 2 - Total Investment Cost ($ millions)[1]

	Prev. Years	2020	2021	2022	2023	2024	Forecast 2025+	Total
Capital[2] and Minor Fixed Assets	0	39.6	39.6	39.9	40.0	40.0	0	199.1
Less Removals	0	0	0	0	0	0	0	0
Gross Investment Cost	**0**	**39.6**	**39.6**	**39.9**	**40.0**	**40.0**	**0**	**199.1**
Less Capital Contributions	0	0	0	0	0	0	0	0
Net Investment Cost	**0**	**39.6**	**39.6**	**39.9**	**40.0**	**40.0**	**0**	**199.1**

1. Due to the in-year nature of program investments, only 2020-2024 expenditures are shown
2. Includes Overhead at current rates.

b) Distribution allocated cost indicated for 2018-2022 from the GP-01 in EB-2017-0049 is $201M. However, these values were subsequently updated in interrogatory response I-29-Staff-173-01: the distribution allocated cost was $158M, with a total cost of 236.8M of which $145.5M was earmarked for 2020-2022

The total cost indicated for 2020-2022 in the transmission ISD-GP-12 as per Table 1 in response (a) is $119.1M. This variance represents the results of Right-Sizing initiative implemented in 2017. The initiative has resulted in reduced requirement for capital acquisition from 2020-2022 to sustain the replacement program for existing fleet complement.