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Frank D'Andrea

Vice President, Regulatory Affairs & Chief Risk Officer

BY COURIER

October 16, 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-2019-0044 – Hydro One Networks Inc. – Distribution Rate Application for the Areas Formerly Served by Norfolk Power Distribution Inc., Haldimand County Hydro Inc., and Woodstock Hydro Services Inc. – Additional Interrogatory Response

On September 27, 2019 and October 1, 2019, Hydro One Networks Inc. ("Hydro One") filed its interrogatory responses in the above-noted proceeding. Subsequently, on October 8, 2019, Hydro One received a follow-up interrogatory from OEB Staff.

Please find attached Hydro One's follow-up interrogatory response for this proceeding, which has been submitted using the Board's Regulatory Electronic Submission System. Two (2) hard copies will be sent to the Board.

Sincerely,

ORIGINAL SIGNED BY JEFFREY SMITH ON BEHALF OF

Frank D'Andrea
cc. EB-2019-0044 parties (electronic)

OEB INTERROGATORY #8

Reference:

Application, Page 10 of 21

Decision and Order, EB-2017-0049, Page 39

Interrogatory:

The Application states:

HONI proposes to dispose of the Group 1 DVA balances for HONI distribution and the three service areas of NPDI, HCHI, and WHSI collectively in its annual update for HONI distribution for the 2021 rate year.

Given that the OEB determined that the Acquired Utilities will not be integrated into the rest of Hydro One during the plan term, it is unclear what HONIs proposal is for 2021 with respect to the Group 1 DVA balances.

- a) Please explain how Hydro One plans to dispose of the Group 1 DVAs collectively given that the Hydro One Acquired Utilities file a separate Price Cap IR rate application, including Group 1 DVA disposition, and that the tariff sheets are to remain separate.
- b) Does Hydro One expect the OEB Panel from the Dx 2021 CIR Update proceeding to opine on the accuracy of the Acquired Utilities' DVA balances when currently they are being addressed through a separate proceeding?

Response:

- a) At the reference above, the intended meaning of "collectively" was "at the same time" rather than "within the same application". The approval of the total regulatory balance in the Group 1 DVA accounts and the allocation of the balance between Hydro One and the Acquired Utilities as part of Hydro One's distribution application is necessary before disposition can proceed for the individual acquired utilities under a separate application. For ease of reference, the total DVA balance and the allocation between Hydro One and the Acquired Utilities will be presented in both applications. The tariff sheets are to remain separate.

Filed: 2019-10-16

EB-2019-0044

Exhibit I

Tab 1

Schedule 8

Page 2 of 2

- 1 b) No. As stated in a) above, Hydro One's expectation is that the OEB will first approve
- 2 the total regulatory balance in the Group 1 DVA accounts and the allocation of the
- 3 balance between Hydro One and the Acquired Utilities in Hydro One's 2021 CIR
- 4 update. The OEB Panel overseeing the Acquired Utilities' 2021 Price Cap IR update
- 5 will then render their decision separately for these utilities.