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Nov. 11, 2020

Christine E. Long
Registrar
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Long,

RE: EB-2020-0194 - London Property Management Association Interrogatories for Hydro One Networks Inc. – 2017-2022 Transmission Revenue Requirement and Charge Determinants and 2018-2022 Distribution Revenue Requirement and Rates, Remittal of Future Tax Savings Issue

Please find attached the interrogatories of the London Property Management Association in the above noted proceeding.

Yours very truly,

Randy Aiken
Aiken & Associates

c.c. Hydro One Regulatory (e-mail only)

Hydro One Networks Inc.

**2017 – 2022 Transmission Revenue Requirement and
Charge Determinants and 2018 – 2022 Distribution
Revenue Requirement and Rates, Remittal of Future Tax
Savings Issue**

**INTERROGATORIES OF THE
LONDON PROPERTY MANAGEMENT ASSOCIATION**

Interrogatory #1

Ref: Exhibit A, Tab 1, Schedule 1, page 5

As part of the July 16, 2020 Ontario Divisional Court decision, did the decision make any determination on compensation/payment to Hydro One related to carrying costs?

Interrogatory #2

Ref: Exhibit A, Tab 1, Schedule 1, Tables 2 & 3 & page 10

- a) Please add a section to Table 2 that shows the carrying cost rate equal to the Bank of Canada Rate plus 150 basis points.
- b) Please add a section to Table 3 that shows the carrying cost using the Bank of Canada Rate plus 150 basis points.
- c) Please provide a table that shows the calculation of the carrying cost rate and the carrying cost utilizing the Bank of Canada Rate plus 150 basis points, along with the dates for which each Bank of Canada rate was in place. Please provide a live Excel spreadsheet with these calculations.
- d) Please add a section to Table 2 that shows the carrying cost rate equal to the Board approved short term debt rate for each year shown.
- e) Please add a section to Table 3 that shows the carrying cost using the Board approved short term debt rate.
- f) Are the rates shown for the weighted average cost of debt in Table 2 the weighted average of all debt or only the debt issued in the years shown? If the former, please add sections to Tables 2 and 3 that show the rates and costs associated only with the debt issued in the years shown. Please use the most recent forecast of the weighted average cost of debt to be issued for 2020 and 2021. If no debt was issued in any of the years shown, for either transmission or distribution, please explain the statement on page 10 that “Hydro One incurred a higher level of debt than it otherwise would have.”

Interrogatory #3

Ref: Exhibit A, Tab 1, Schedule 1, page 11

Please provide a table that shows the total carrying costs to be incurred during the three recovery periods noted in the evidence (i.e. 2021 – 2022, 2021 – 2024 and 2021 – 27) for each of the interest cost methodologies shown in Table 3, modified to include the Bank of Canada Rate plus 150 basis points, the Board approved short term debt rate and the rate for debt issued in the current year requested in Interrogatory #2 above. In all cases, please assume that the commencement date of the recovery for the Misallocated Tax Savings is April 1, 2021.

Interrogatory #4

Ref: Exhibit A, Tab 1, Schedule 1, pages 12 – 14

Tables 5, 6 & 7 show the dollar impact on a typical R1 residential customer served by Hydro One. Is the expected impact on a typical residential customer served by non-Hydro One distributors resulting from the recovery of the transmission component of the Misallocated Tax Savings expected to be similar to the values shown in Tables 5, 6 & 7? If not, please explain.

Interrogatory #5

Ref: Exhibit A, Tab 1, Schedule 1, pages 12 - 14

Is there any reason why the recovery periods need to be the same for the transmission and distribution components of the Misallocated Tax Savings? For example, could the transmission portion be recovered over the 2021 to 2022 period while the distribution portion could be recovered over the 2021 to 2027 period? If yes, please fully.

Interrogatory #6

Ref: Exhibit A, Tab 1, Schedule 1, pages 12 - 15

a) Do the transmission related bill impacts shown in Tables 5, 6 and 7 include the impacts included in Table 9 related to the 2022 revenue requirement adjustment or are the figures in addition to the rate impact noted in page 15?

b) Please explain the footnote to Table 9. In particular, please explain why the 2022 transmission rate increase will not impact distribution customers until 2023. Does this statement apply only to Hydro One distribution customers or does it also apply to distribution customers of other Ontario distributors?

Interrogatory #7

Ref: Exhibit A, Tab 1, Schedule 1, page 15

Would Hydro One be amenable to the Board transferring the balance of the Misallocated Tax Savings for each of the Transmission and Distribution effective the recovery date for the

remainder of the recovery period to be determined by the Board and having the Board approved deferral and variance account interest rate applied to the balances in the accounts after the recovery period begins? If not, please explain fully why not.