



**BY EMAIL and RESS**

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Ontario Energy Board  
2300 Yonge Street  
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Toronto, Ontario  
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July 27, 2021  
Our File: EB20210169

**Attn: Christine Long, Registrar**

Dear Ms. Long:

**Re: EB-2021-0169 – Hydro One ATP Account – SEC Interrogatories**

We are counsel to the School Energy Coalition ("SEC"). Attached, please find a copy of SEC's interrogatories in the above-captioned matter.

Yours very truly,  
**Shepherd Rubenstein P.C.**

Mark Rubenstein

cc: Wayne McNally, SEC (by email)  
Applicant and intervenors (by email)

**ONTARIO ENERGY BOARD**

**IN THE MATTER OF** subsection 78 of the *Ontario Energy Board Act, 1998*;

**AND IN THE MATTER OF** an application by Hydro One Networks Inc. for an accounting order to establish a deferral account for the purpose of recording and tracking development and capital costs relating to large transmission projects expected to in-serviced in an Affiliate company.

**INTERROGATORIES ON BEHALF  
OF THE  
SCHOOL ENERGY COALITION**

**1-SEC-1**

Until the end of 2022, Hydro One's transmission rate framework is governed by the Board's decision in EB-2019-0082. Under what aspect of that approved rate framework is Hydro One's basis for the proposed account (i.e. Z-Factor, etc.)?

**1-SEC-2**

SEC seeks to understand the need for the proposed ATP Account:

- a. Is the driver of the request for the proposed ATP Account the fact that Hydro One has been directed to develop and/or construct a given transmission project, or that these are projects that will be owned by a New Partnership? Please explain your response in detail.
- b. Did Hydro One have a similar DVA for the assets transferred to B2M LP or NRLP? If not, please explain why it requires this account for other similarly situated projects. If so, please provide details including reference to the Decision and Order in which they were established.
- c. Has Hydro One had similar DVAs for any assets that it had been directed to develop/construct by the IESO and/or Ministry in the last 15 years. If so, please provide details including reference to the Decision and Order in which they were established.

**1-SEC-3**

Please explain the impact of the Board denying approval of the proposed ATP Account.

**1-SEC-4**

[p.1] Hydro One states the ATP Account will apply where, "Hydro One has or will receive a letter from the Independent Electricity System Operator ("IESO") identifying transmission system needs, or an Order in Council or direction of the Minister of Energy, Northern Development and Mines (the "Ministry") in respect of Hydro One or its OEB Transmission License for the development or construction of a transmission project":

- a. What legal basis does the IESO have to require Hydro One to undertake any specific project?

- b. Please confirm that by “Order in Council or direction of the Minister of Energy, Northern Development and Mines”, it is referring to an Order in Council or Directive to the Ontario Energy Board, not to Hydro One directly.

#### **1-SEC-5**

[p.1] Hydro One states that the ATP Account will apply where, “all or part of the project is expected to be owned by and included in the rate base of a New Partnership, as a licensed transmitter, and will not form part of Hydro One’s rate base.”:

- a. Please provide a definition of ‘New Partnership’ that can be used for the purpose of establishing the criteria for the ATP Account.
- b. Please confirm that any New Partnership will include entities that are not a subsidiary of, or otherwise controlled by, Hydro One Limited.
- c. If ultimately Hydro One decides that the project will not be transferred to a partnership, but owned by Hydro One, does Hydro One expect to be able to dispose of the ATP Account balance? If so, please explain.

#### **4-SEC-6**

[p.5] SEC seeks to understand how Hydro One will allocate certain costs to the ATP Account:

- a. Is Hydro One seeking to record only incremental costs incurred by Hydro One related to any qualifying project? If not, please explain the methodology it will use to allocate costs.
- b. Hydro One’s approved transmission revenue requirement includes amount for various departments who will be responsible for certain activities that will be required for development of any qualifying project. How will Hydro One ensure that it is not going to double recover these amounts?

#### **5-SEC-7**

[p.9-11] With respect to the three projects that Hydro One has identified that meet the criteria of the ATP Account:

- a. Please provide details regarding the New Partnerships Hydro One is expecting to form to own these assets.
- b. For each project, please provide the estimated, i) development, and ii) construction costs.

#### **6-SEC-8**

[p.3] Hydro One states: “In the event the project does not proceed to completion as a result of circumstances that are beyond Hydro One’s control, Hydro One would seek to recover its prudently incurred development costs, construction costs and reasonable wind-up costs recorded in the ATP Account to the extent that the amount meets the established materiality threshold.” Is Hydro One requesting the Board decide in this proceeding that, subject to prudence, if a project does not proceed as a result of circumstances that are beyond Hydro One’s control, it will be allowed to recover its costs recorded in the ATP Account?

Respectfully submitted on behalf of the School Energy Coalition this July 27, 2021.

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Mark Rubenstein  
Counsel for the School Energy Coalition