

Hydro One Networks Inc.

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BY EMAIL AND RESS

April 7, 2022

Ms. Nancy Marconi
Registrar
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Marconi,

EB-2021-0016 - E.L.K Energy Inc. – 2022 Electricity Distribution Rates Application – Hydro One Networks Inc. Interrogatories to Applicant

As directed in the Ontario Energy Board's ("OEB") Procedural Order No. 1 issued March 22, 2022, Hydro One Networks Inc. ("Hydro One") is filing the attached Interrogatories for E.L.K Energy Inc.

An electronic copy of the interrogatories has been submitted using the Board's Regulatory Electronic Submission System.

Sincerely,



Frank D'Andrea

1 **HYDRO ONE NETWORKS INC. INTERROGATORIES ELK**
2 **ENERGY INC.**

3
4 **2-HONI-1:**

5
6 **Reference:**

- 7 1. Exhibit 2, Tab 4, Appendix 2-AA
8 2. Decision & Order, EB-2016-0155, dated April 27, 2017, pp.8-9
9
10 a) Please confirm whether any of the \$83,796 of gross capital expenditures captured at
11 Reference 1, specifically under Project #34 entitled Sellick, are in any way related to
12 E.L.K.'s Service Area Amendment (SAA) request, which was approved by the Ontario
13 Energy Board (Reference 2), to have E.L.K. serve Sellick Equipment Limited.
14 i. If they are related, please provide details on how the \$83,796 of gross
15 capital expenditures align with the forecast fully loaded costs of
16 approximately \$8,703 approved by the OEB at Reference 2.
17 ii. If they are not related, please explain what these capital expenditures
18 capture?

19
20 **2-HONI-2:**

21
22 **Reference:**

- 23 1. Exhibit 2, Tab 4, Attachment 1
24
25 a) Please confirm that all System Access investments identified in this Application fall
26 within the defined service territory of E.L.K., including those explicitly identified at the
27 Reference above.
28
29 b) Please provide a map of the E.L.K. service territory and any corresponding planned
30 investments that impede on the territory of Hydro One Networks Inc.
31 i. If any planned investments do impede on Hydro One service territory,
32 please confirm whether E.L.K. has had any conversations with Hydro One
33 about those plans.

1 **7-HONI-3:**

2
3 **Reference:**

4 1. Exhibit 7, Tab 4, Section 4.0, Table 7-9

5
6 a) Please confirm that the Meter Reading costs assigned to the Embedded Distributor
7 class represent over 30% of total forecast 2022 Meter Reading costs.

8
9 b) Please provide details behind the Meter Reading costs directly allocated to the
10 Embedded Distributor class.

11
12 **7-HONI-4:**

13
14 **Reference:**

15 1. Exhibit 7, Tab 4, Section 4.0, Table 7-9

16
17 a) Please confirm that the Billing costs assigned to the Embedded Distributor class
18 represent about 10% of total forecast 2022 Billing costs.

19
20 b) Please provide details behind the Billing costs directly allocated to the Embedded
21 Distributor class.

22
23 **7-HONI-5:**

24
25 **Reference:**

26 1. Exhibit 7, Tab 4, Attachment 2, Table 3

27
28 a) Please confirm that E.L.K. has been applying, and is proposing to continue to apply,
29 the loss adjustment factor for Secondary Metered Customers<5,000kW to its
30 Embedded Distributor Class.

31
32 b) If confirmed, please explain why this is appropriate.

1 **7-HONI-6:**

2
3 **Reference:**

- 4 1. E.L.K. Conditions of Service, Definition of Billing Demand, p.40
5 2. Exhibit 7, Tab 4, Attachment 2, Table 3

6
7 a) Please confirm if any of the Hydro One accounts in the Embedded Distributor
8 class is billed using demand that is adjusted to account for lower power factor
9 (in other words, billed on KVA instead of kW)?

- 10 i. If confirmed, please list components of the bills (such as Distribution
11 Volumetric charge, Low Voltage charge and RTSRs) that this power factor
12 penalty is applied to.
13 ii. If confirmed, please explain why applying power factor penalty to Hydro
14 One account(s) is appropriate given that Hydro One does not utilize any of
15 the E.L.K.'s distribution assets.

16
17 **8-HONI-7:**

18
19 **Reference:**

- 20 1. Exhibit 1, Tab 4, Section 3.0
21 2. Exhibit 8, Tab 3, Section 3.0
22 3. Exhibit 8, Tab 4, Section 4.4

23
24 As stated in Reference 1, E.L.K. is a fully embedded distributor who receives electricity at
25 distribution level voltages from Hydro One Networks Inc. (Hydro One Distribution).
26 Therefore E.L.K. is a Sub-Transmission (ST) class customer of Hydro One Distribution.
27 Further downstream from the transformer stations, E.L.K. is also a host distributor to Hydro
28 One Distribution (Hydro One Distribution is an embedded distributor class customer of
29 E.L.K.).

- 1 a) In regard to the Retail Transmission Service Rates (RTSRs), would E.L.K. agree that
2 it would be more efficient and cost-effective for Hydro One Distribution to charge its
3 ST customer, E.L.K. on net load basis (i.e. excluding the load for Hydro One
4 Distribution's supply points embedded in E.L.K.'s system) for transmission services,
5 which will then result in E.L.K. not applying the RTSRs to its Embedded Distributor
6 class (where Hydro One Distribution is the sole customer)?
7
- 8 b) If the answer to part a) is no, please explain why.
9
- 10 c) In regard to the Low Voltage Service Charge, would E.L.K. agree that it would be more
11 efficient and cost-effective for Hydro One Distribution to charge its ST customer, E.L.K.
12 on net load basis (i.e. excluding the load for Hydro One Distribution's supply points
13 embedded in E.L.K.'s system), which will then result in E.L.K. not applying the Low
14 Voltage charge to its Embedded Distributor class (where Hydro One Distribution is the
15 sole customer)?
16
- 17 d) If the answer to part c) is no, please explain why.