

ONTARIO ENERGY BOARD

Hydro One Networks Inc.

IN THE MATTER OF the Ontario Energy Board Act, 1998, S.O. 1998, c. 15 (Sched. B) (the Act);

AND IN THE MATTER OF an application by Hydro One Networks Inc. for an order or orders made pursuant to section 78 of the Act, approving or fixing just and reasonable rates for the transmission and distribution of electricity.

**INTERROGATORIES OF
CANADIAN MANUFACTURERS & EXPORTERS (“CME”)
TO HYDRO ONE NETWORKS INC. (“HONI”) REGARDING JOINT
REPORT**

Interrogatory P-CME-1

Ref: Joint Report – Page 9

At page 9, Clearspring stated that it expected Hydro One to have the lowest customers per square kilometer. However, “Hydro One does not have the lowest customer density using Clearspring’s 529,313 sq. km measure. Hydro One’s customers per sq. km in 2019 is 2.5, whereas Montana Dakota Utilities (“MDU”) is measured at 2.2.”

- (a) Has Clearspring completed any analysis of the population density of Montana, North or South Dakota, Wyoming, or the service territory of Montana Dakota Utilities?
- (b) If the answer to (a) above is yes, please provide any analysis that has been completed.

Interrogatory P-CME-2

Ref: Joint Report – Page 6

At page 6, Clearspring stated “Even absent the presence of the large implicit stretch factor and the Company’s proposed supplemental stretch factor, Clearspring is not convinced that a supplemental stretch factor would be warranted. Stretch factors are, ideally, a product of total cost benchmarking results and the Company is a very strong cost performer.”

- (a) Please expand on why Clearspring is of the view that differences between HONI and its comparators, for instance the proposed difference in performance incentives, should not be reflected in a supplemental stretch factor. Please explain fully.