



Ontario | Commission  
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**BY EMAIL**

November 1, 2022

Ms. Nancy Marconi  
Registrar  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4  
[Registrar@oeb.ca](mailto:Registrar@oeb.ca)

Dear Ms. Marconi:

**Re: Ontario Energy Board (OEB) Staff Interrogatories  
Hydro One Networks Inc.  
Service Area Amendment Application  
OEB File Number: EB-2022-0234**

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Please find attached OEB staff's interrogatories in the above referenced proceeding, pursuant to Notice of Hearing and Procedural Order No. 1.

Yours truly,

*Original Signed By*

Shuo Zhang  
Distribution Policy & Compliance

cc: All parties in EB-2022-0234

**Hydro One Networks Inc.  
EB-2022-0234**

Please note, Hydro One Networks Inc. is responsible for ensuring that all documents it files with the OEB, including responses to OEB staff questions and any other supporting documentation, do not include personal information (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's *Rules of Practice and Procedure*.

**OEB Staff-1**

**Ref 1: [Filing Requirements for Service Area Amendment Applications](#), March 12, 2007**

**Ref 2: Hydro One [Service Area Amendment Application](#), August 18, 2022**

**Ref 3: Hydro Ottawa [Contested Service Area Amendment Application](#), September 2, 2022**

Ref. 1, Section 7.1.1 (c) requires an applicant to provide contact information for “every affected customer, landowner, and developer in the area that is the subject of the SAA application”.

Information provided under section 7.1.1 (c) on p. 3 of Ref. 2 lists as “The Registered Owner/Developer or Customer(s)” the following entities: Ford Motor Company of Canada, Limited; and Claudio Bertone. Information in Attachment 1 to Hydro One’s Application identifies Claudio Bertone as Vice President of Highway 417 Casselman LP (Highway 417).

- a) Please confirm that Claudio Bertone or Highway 417 is both the Registered Owner/Developer and the “Customer” for the purposes of Hydro One’s Offer to Connect. If not, please identify the customer for the purposes of Hydro One’s Offer to Connect.
- b) Please confirm that Ford Motor Company of Canada, Limited is expected to be the serving distributor’s account holder.
- c) Please confirm that Claudio Bertone is authorized by Ford Motor Company of Canada, Limited to represent its interests in relation to the connection; and in this proceeding.

Ref. 1, Section 7.1.2 requires that an applicant indicate the reasons why the amendment should occur and identify any load transfers eliminated by the proposed service area amendment. In Ref. 2 Hydro One lists a number of reasons, including that “Hydro One’s proposed connection ...provides the Customer with greater levels of

transparency in the service provider and customer relationship should an outage ever be caused by a pole failure.” (p. 5)

- d) Please elaborate on the “greater levels of transparency”. Will power restoration time be shortened if Hydro One provides the service to this Customer instead of Hydro Ottawa?

Ref. 1 section 7.2.1 requires an applicant to “provide a comparison of the economic and engineering efficiency for the applicant and the incumbent distributor”.

- e) Does Hydro One accept all of Hydro Ottawa’s responses in Ref. 3 in relation to section 7.2.1 of Ref. 1 as appropriate for comparison purposes?
- f) If not, please list the responses Hydro One believes are not acceptable and explain why.

Hydro One states on p. 5 of Ref. 2 that “...Hydro Ottawa would require utilizing Hydro One owned poles for approximately 1km and operate as a joint use tenant on Hydro One’s poles to connect the Customer.”

- g) Please confirm that the part of Hydro One’s distribution system that the “proposed connection lies along” is, in whole or in part, the part of Hydro One’s distribution system that Hydro One suggests Hydro Ottawa would use as a “joint use tenant” to connect the customer.

Ref. 1, section 7.2.1 f) requires information that compares assessments as to “whether the proposed SAA enhances, or at a minimum does not decrease, the reliability of the infrastructure in the area that is the subject of the SAA application and in regions adjacent to the area that is the subject of the SAA application over the long term” (p. 6).

Hydro One (Ref. 2; p. 10) addresses this requirement thus: “This new connection will not impact the reliability of the infrastructure surrounding the Subject Area”. Hydro Ottawa (Ref. 3; p. 11) states: “The proposed system expansion is not in a forested area and the customer will be connected to the main distribution system using a fused switch for protection. Therefore the proposed SAA does not decrease the reliability to the infrastructure in the area.”

- h) If question g) was answered in the affirmative, does Hydro One agree that the reliability of the infrastructure surrounding the Subject area will not be affected regardless of distributor?

Ref. 1, section 7.2.1 g) requires comparative “information on whether the proposed infrastructure will provide for cost-efficient expansion if there is growth potential in the

area that is the subject of the SAA application and in regions adjacent to the area that is the subject of the SAA application”

- i) Hydro One (Ref. 2; p. 10) states that it has “...assets that lie along the property that can meet reasonably expected future growth in a cost-efficient manner.” Please confirm that Hydro One’s ability to serve future load growth in Hydro One’s adjacent service area in a cost-efficient manner would not be affected by the addition of the assets required to serve the subject customer.

In response to the requirement under Ref. 1 section 7.3.2 for information on “any impacts on costs, rates, service quality, and reliability for customers in the area that is the subject of the SAA application that arise as a result of the proposed SAA”, Hydro One (Ref. 2; p. 11) states in part that approval of its SAA “will not result in any negative impacts on cost, rates, service quality, and reliability.”

In response to the same requirement, Hydro Ottawa provides a bill comparison (Ref. 3; Attachment 1; p. 4) and states (Ref. 3; p.11) in part that in its estimation, “...the distribution rates paid by this customer will be lower [if the customer is served by Hydro Ottawa] than if they are transferred to Hydro One.”

- j) Please provide a Table comparing the estimated monthly charges to the subject customer that would obtain under currently applicable Hydro One and Ottawa Hydro rates.

In response to the requirement under Ref. 1 section 7.3.3 for the same information as required under section 7.3.2 but in relation to customers “**outside** the area that is the subject of the SAA application” [original emphasis], Hydro Ottawa states, in part:

“Hydro One customers may benefit from the expansion work. This assumption is based on the fact that no residual value appears to be provided to Hydro Ottawa in the Hydro One quote related to the pole line upgrade. As such, it is assumed the poles have reached the end of their financial useful life and Hydro Ottawa will be taking on the replacement costs, which is offset by the customers future revenue, to replace them.” (Ref. 3; p. 12)

- k) Please comment on Hydro Ottawa’s assumptions in the above-quoted passage.

As required under section 7.4 of Ref. 1 – ‘Customer Preference’, Hydro One (Ref. 2; Att. 1) provides a letter to Hydro One from the developer expressing the latter’s preference for Hydro One as distributor. The letter states in part:

“We have been informed by Hydro One, that you will be able to supply our development project with Hydro Power, more rapidly and more economically than any other alternative supplier. As a result, please consider this letter as our intent to have Hydro One as our service provider.”

Hydro Ottawa (Ref. 3; p. 14) states “...[I]t is not clear from the letter if the final customer has been provided rates of both distributors.”

- l) Has Hydro One provided comparative rate information to either the developer or the “final customer” (identified by Hydro Ottawa as Ford Motor Company, Limited on p. 3 of its cover letter to Ref. 3)?

OEB staff understands from Ref. 3, p. 15 that Hydro Ottawa’s offer to connect was provided to the customer on August 26, 2022 – that is, after Hydro One had filed its Application. Accordingly, OEB staff believes Hydro One may not have been able to provide a comparison of its offer to connect with Hydro Ottawa’s, as required under section 7.5.4 of Ref. 1.

- m) Please indicate whether Hydro One believes the information Hydro Ottawa filed in Ref. 3 in relation to section 7.5.4 of Ref. 1 is consistent with Hydro One’s understanding of the two offers, and if not, provide the details of any issues Hydro One may have with the information provided.

## **OEB Staff-2**

### **Rate Implications**

**Ref: Hydro Ottawa submissions, September 2, 2022, Attachment 1, p. 4**

Preamble:

Hydro Ottawa estimated that based on distribution charges alone, the Customer<sup>1</sup> will pay 3.4 times more if served by Hydro One.

Question(s):

- a) Please provide a detailed calculation of the Customer’s monthly total bill (including distribution charges) payable to Hydro One in Excel. Please provide all applicable assumptions for the estimates.

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<sup>1</sup> In the OEB’s Notice of Hearing and Procedural Order No.1, the Customer is defined as the new customer located at 626 Principale St. in the Municipality of Casselman.

**OEB Staff-3**

**Proposed Facilities to Serve the Customer**

**Ref: Interim Order, September 26, 2022, p. 4**

**Hydro One Application, August 18, 2022, Attachment 6, Section 6**

**Hydro One Application, August 18, 2022, Section 7.1.6**

Preamble:

In its interim order, the OEB directed Hydro One to provide electricity distribution service to the Customer on an interim basis, pending the OEB's disposition of this proceeding.

Question(s):

- a) Please provide the actual spending for the basic connection work. Please explain the difference if there is a material variance between the actual spending and the estimated value of \$4,438.90.
- b) Please provide the actual spending for the work above basic connection. Please explain the difference if there is a material variance between the actual spending and the estimated value of \$7,877.82.
- c) Hydro One stated that it does not have any plans for expansion in the lands adjacent to the subject area and its existing assets can meet reasonably expected future growth in a cost-efficient manner. Please explain how Hydro One's existing assets can meet potential load growth in a cost-efficient manner.

## Hydro Ottawa Limited EB-2022-0234

Please note, Hydro Ottawa Limited is responsible for ensuring that all documents it files with the OEB, including responses to OEB staff questions and any other supporting documentation, do not include personal information (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's *Rules of Practice and Procedure*.

### OEB Staff-1

Ref 1: [Filing Requirements for Service Area Amendment Applications](#); March 12, 2007

Ref 2: Hydro One [Service Area Amendment Application](#), August 18, 2022

Ref 3: Hydro Ottawa [Contested Service Area Amendment Application](#), September 2, 2022

Section 7.2.1 b) of Ref. 1 requires a comparison of “the proximity of the proposed connection to an existing, well developed electricity distribution system”. Hydro One’s response on p. 9 of Ref. 2 is “The proposed new connection lies along Hydro One’s existing distribution system, requiring minimal incremental investment to connect, \$7,878, whereas Hydro Ottawa would require an approximate 1 km line expansion to service this customer at a far more significant cost.”

- a) Hydro Ottawa’s response to 7.2.1 b) on p. 10 of Ref. 3 does not provide information on “proximity”. Does Hydro Ottawa accept Hydro One’s evidence with regard to the length of line expansion Hydro Ottawa requires to connect the customer? If not, please provide and explain Hydro Ottawa’s position on proximity.
- b) Please indicate whether Hydro Ottawa believes the information Hydro One filed in Ref. 2, pp. 15 - 16 in relation to section 7.5.5 of Ref. 1 is consistent with Hydro Ottawa’s understanding of the upgraded electrical infrastructure necessary for each distributor to serve the area, and if not, please explain any issues Hydro Ottawa may have with the information Hydro One provided.

### OEB Staff-2

#### Rate Implications

Ref: Hydro Ottawa submissions, September 2, 2022, Attachment 1, p. 4

Preamble:

Hydro Ottawa estimated that based on distribution charges alone, the Customer<sup>1</sup> will pay 3.4 times more if served by Hydro One.

Question(s):

- a) Please provide a detailed calculation of the Customer's monthly total bill (including distribution charges) payable to Hydro Ottawa in Excel. Please provide all applicable assumptions for the estimates.
- b) Please explain whether additional load associated with connection of the Customer would impact low voltage charges paid by Hydro Ottawa's customers. Please provide an estimate of potential increase, if applicable.

**OEB Staff-3**  
**Rate Implications**

**Ref: Hydro Ottawa submissions, September 2, 2022, sections 7.3.3 and 7.5.3**

Preamble:

In section 7.3.3 of its submissions dated September 2, 2022, Hydro Ottawa stated that there is no expected bill impact to Hydro Ottawa's customers and Hydro One's customers may benefit from the expansion work.

In section 7.5.3, it was stated that "As the estimated revenue that will offset the costs, no contribution is required by the customer."

Question(s):

- a) Please confirm a capital contribution in the amount of \$16,950 and a performance security in the amount of \$791,000 are required to be paid by the Customer in accordance with the Offer to Connect.
- b) Please explain how Hydro One's customers may benefit from the expansion work. Could Hydro One's customers be better off if the Customer is served by Hydro Ottawa other than Hydro One? If so, please explain why.

**OEB Staff-4**  
**Proposed Facilities to Serve the Customer**  
**Ref: Hydro One Application, August 18, 2022, section 7.5.5**

Preamble:

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<sup>1</sup> In the OEB's Notice of Hearing and Procedural Order No.1, the Customer is defined as the new customer located at 626 Principale St. in the Municipality of Casselman.



Hydro One provided the minimum work that it anticipates Hydro Ottawa to undertake to connect the Customer.

1. Installation of a connection tap from the existing Hydro Ottawa owned feeder to a new Hydro Ottawa owned feeder on Hydro One owned pole. Upon field confirmation, this joint use configuration will trigger an upgrade to existing Hydro One poles.
2. Installation of a new feeder, approximately 1 km in length, traveling south to the Customer location on Hydro One owned existing pole line.
3. Hydro One will need to upgrade poles from Lafleche Blvd and Principale St to the Customer location, which includes crossing Hwy 417, to accommodate a new 8 kV feeder circuit from Hydro Ottawa.
4. Hydro Ottawa will need to install a terminal pole on the Customer side and connect the new feeder at the terminal pole.
5. Hydro Ottawa will need to purchase and install associated power system devices: switches, fuses, current transformer and power transformer.
6. Hydro Ottawa will need to purchase and install a revenue meter.
7. Hydro Ottawa will need to terminate Customer's primary connection and install conductor at a terminal pole.

Question(s):

- a) Please provide a detailed list of new and/or upgraded electrical infrastructure necessary for Hydro Ottawa to serve the Customer besides the investments identified by Hydro One.
- b) Please specify when Hydro Ottawa expects to complete the connection work and be ready to serve the Customer.
- c) Please clarify whether Hydro Ottawa expects to utilize its proposed facilities for other customers in the subject area and in regions adjacent to the subject area.

**OEB Staff-5**

**Joint Use Pole Attachment Agreement**

**Ref: Hydro One Application, August 18, 2022, section 7.5.4**

Preamble:

Hydro One noted that Hydro Ottawa would have to enter into a Joint Use Pole Attachment Agreement with Hydro One where recurring annual joint use levies would be charged to Hydro Ottawa on a per pole basis.

Question(s):

- a) Please provide an estimate of the total joint use levies per year.
- b) Please explain how the annual joint use levies will be recovered. (e.g., Will Hydro Ottawa pass the annual joint use levies to the Customer, or will Hydro Ottawa include it in its revenue requirement?)