

**Hydro One Networks Inc.
Intervenor Evidence
EB-2022-0178**

Please note, Hydro One Networks Inc. (Hydro One) is responsible for ensuring that all documents it files with the Ontario Energy Board (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: [Hydro One Networks Inc. – Intervenor Evidence, Application for a Service Area Amendment, April 17, 2023](#)

Ref. 2: [Entegrus Powerlines Inc. – Application for a Service Area Amendment, Attachment 3, October 17, 2022](#)

Hydro One states (Ref. 1, p.4 of 28) that “The Supply Facilities Agreement was expressly made ‘conditional upon OH reaching a satisfactory supply agreement with the Customer’”. The corresponding provision of the Supply Facilities Agreement is at ref. 1, Attachment 3, p.2 of 4.

- a) Please describe the supply agreement between Ontario Hydro and/or Hydro One and the customer and provide a copy of the agreement, if available.

OEB Staff-2

Ref. 1: [Hydro One Networks Inc. – Intervenor Evidence, Application for a Service Area Amendment, April 17, 2023](#)

Hydro One states (Ref. 1, pp. 4-5 of 28) that:

The Supply Facilities Agreement included the terms of OH's lease of two dedicated 27.6 kV feeders constructed and owned by the PUC (the “Feeders”), and provided that after paying the PUC 20 years of rental and maintenance fees for the Feeders, OH was given the option to purchase the said Feeders at book value on January 1, 2018 (which option has been exercised by Hydro One, the successor to OH to the Supply Facilities Agreement).

- a) If Hydro One were to acquire the line in accordance with the terms of the 1997 agreement, would Hydro One be able to use the feeders to serve additional customers in Hydro One's distribution service territory? Please explain how much capacity would be available on feeders M7 and M8 to serve additional customers.

OEB Staff-3

Ref. 1: [Hydro One Networks Inc. – Intervenor Evidence, Application for a Service Area Amendment, April 17, 2023](#)

Hydro One states (Ref. 1, p. 5 of 28), in "St. Thomas' July 4th letter, it previously advanced the position that the Electricity Act frustrated the Supply Facilities Agreement, that the subject Customer should be transferred to St. Thomas, and that St. Thomas should have therefore been serving the Subject Area."

- a) Please clarify the reference to St. Thomas' July 4th letter. Did Hydro One intend to refer to the June 4, 2004 letter from St. Thomas to the OEB found at Attachment 1 to Hydro One's April 17, 2023 evidence? If not, please provide a copy of the July 4th letter.

OEB Staff-4

Ref. 1: [Hydro One Networks Inc. – Intervenor Evidence, Application for a Service Area Amendment, April 17, 2023](#)

Hydro One states (Ref. 1, p. 9 of 28), "The lease fees were predicated on the PUC's actual construction costs. Hydro One has also paid the PUC and St. Thomas for the maintenance of the Feeders in accordance with the terms of the Supply Facilities Agreement."

- a) Please explain in detail and provide a quantitative breakdown of how the lease fees were predicated on PUC's actual construction costs.

OEB Staff-5

Ref. 1: [Hydro One Networks Inc. – Intervenor Evidence, Application for a Service Area Amendment, April 17, 2023](#)

Hydro One states (Ref. 1, p. 9 of 28), "the costs of the Feeders that serve the Subject Area have been fully borne by Hydro One (and its predecessor, OH) thus the revenues

collected from the Customer should continue to flow to the benefit of the ratepayers that funded the investment – Hydro One ratepayers.”

- a) Please explain in detail how “the costs of the Feeders that serve the Subject Area have been fully borne by Hydro One (and its predecessor, OH)”.

OEB Staff-6

Ref. 1: [Hydro One Networks Inc. – Intervenor Evidence, Application for a Service Area Amendment, April 17, 2023](#)

Hydro One states (Ref. 1, p. 9 of 28) that:

This connection was not considered an LTLT over the life of the Supply Facilities Agreement nor was it deemed an LTLT at the time of the LTLT DSC Amendments. All LTLTs between Hydro One and St. Thomas were eliminated with the approval of the EB-2017-0192 application and this connection has effectively been treated as a commercial lease-to-own arrangement for the feeders constructed by the PUC but used and paid for by Hydro One to serve the Subject Area.

- a) Please clarify the reference to ‘a commercial lease-to-own arrangement’.
- b) Is Hydro One a party to any other similar lease-to-own arrangements? If yes, please describe them and explain how they compare to this connection arrangement.

OEB Staff-7

Ref. 1: [Hydro One Networks Inc. – Intervenor Evidence, Application for a Service Area Amendment, April 17, 2023](#)

Hydro One states (Ref. 1, p. 12 of 28), “the Customer’s forecast monthly bill breakdown utilizing the Customer’s average loading data over the last two years is provided in confidence as Attachment 6” and “the transfer of the Customer to Entegrus would cause undue harm to the Customer from a billing perspective.”

The monthly bill breakdown in Attachment 6, indicates that the fixed monthly meter charge is not applied to Entegrus and St. Thomas’ Rate Zones.

- a) Please provide a reason why the fixed monthly meter charges were not applied to Entegrus and St. Thomas’ Rate Zones in Attachment 6.

- b) Please update the comparison table to show the total by distributor if the fixed monthly meter charge is applied to both Entegrus and St. Thomas' Rate Zones.
- c) Please explain if the additional monthly meter charge would impact ratepayers and if so, how would it impact ratepayers?

OEB Staff-8

Ref. 1: Formet Industries – Customer's Supplementary Evidence, May 19, 2023

The supplementary evidence filed by Formet Industries includes a capacity allocation commitment letter from Hydro One, dated May 17, 2023 (Ref. 1, Attachment 2-A).

- a) Is this commitment provided by Hydro One unique to this customer, or are such commitments provided to other customers?
- b) If similar commitments are provided to other customers, please describe the commitments and explain how they compare to this commitment.
- c) Please explain how Hydro One determines the capacity allocation for each customer in similar commitments.