

K-4

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RP-1999-0044

THE ONTARIO ENERGY BOARD

IN THE MATTER OF the Ontario Energy Board Act, 1998;
AND IN THE MATTER OF an Application by Ontario Hydro .
Networks Company Inc., for an Order or Orders approving
year 2000 transmission cost allocation and rate design.

B E F O R E :

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|-------------|------------------|
| R.M. HIGGIN | Presiding Member |
| P. VLAHOS | Member |
| B. SMITH | Member |

Hearing held at:
2300 Yonge Street, 25th Floor, Hearing Room No. 2
Toronto, Ontario on Thursday, February 24, 2000,
commencing at 0905

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| Ontario Energy Board | |
| FILE No. | LEB-2002-0797 |
| EXHIBIT No. | K-4 |
| DATE | Nov 9, 2007 |
| 08/99 | |

HEARING

VOLUME 7

Les Services StenoTran Services Inc.
613-521-0703

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APPEARANCES

| | |
|---|---|
| JENNIFER LEA/ MICHAEL LYLE/ | Counsel to Board Staff |
| HAROLD THIESSEN/ NABIH MIKHAIL/ COLIN SCHUCK/ KATHI LITT | Board Staff |
| DONALD ROGERS/ BRYAN BOYCE | Ontario Hydro Networks Company Inc. (OHNC) |
| DAVID BROWN | Independent Power Producers Society of Ontario (IPPSO); Ontario Natural Gas Association (ONGA) |
| JAMES FISHER/ KEN SNELSON | Association of Major Power Consumers in Ontario (AMPCO) |
| MICHAEL JANIGAN | Vulnerable Energy Consumers Coalition (VECC) |
| ROBERT WARREN | Consumers Association of |

25 Canada (CAC)

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| 1 | APPEARANCES (Cont'd) | |
| 2 | BRUCE CAMPBELL/ | Ontario Power Generation |
| 3 | JOEL SINGER/ | (OPG) |
| 4 | JOHN RATTRAY | |
| 5 | | |
| 6 | LLOYD GREENSPOON | NorthWatch |
| 7 | | |
| 8 | DAVID POCH | Green Energy Coalition (GEC) |
| 9 | | |
| 10 | MARK MATTSON/ | Energy Probe |
| 11 | MIKE HILSON | |
| 12 | | |
| 13 | PETER BUDD | TransAlta Energy |
| 14 | | |
| 15 | MURRAY KLIPPENSTEIN | Pollution Probe |
| 16 | | |
| 17 | RICHARD STEPHENSON | Power Workers Union |
| 18 | | |
| 19 | MARK RODGER | Toronto Hydro Electric |
| 20 | | System Ltd. |
| 21 | | |
| 22 | PAUL DUMARESQ | Ontario Association of Physical |
| 23 | | Plant Administrators |
| 24 | | |
| 25 | SHARON WONG | Imperial Oil Ltd. |

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| 1 | APPEARANCES (Cont'd) | |
| 2 | ERIK GOLDSILVER | Electrical Contractors |
| 3 | | Association of the Ontario; |
| 4 | | Collingwood Public Utilities |
| 5 | | Commission |
| 6 | | |
| 7 | ROGER WHITE | Energy Cost Management Inc. |
| 8 | | |
| 9 | RICHARD KING | Five Nations Energy Inc.; |
| 10 | | Detroit Edison Co. |
| 11 | | |
| 12 | KENNETH LIDDON | Suncor Energy Inc. |
| 13 | | |
| 14 | GEORGE VEGH/ | Amoco Canada (BP Amoco); |
| 15 | JEAN-PAUL DESROCHERS | Toromont Energy |
| 16 | | |
| 17 | KEITH RAWSON/ | TransCanada Energy |
| 18 | BONNIE ANDRIACHUK | |

19
20 PAUL VOGEL/ The Chiefs of Ontario
21 CAROL GODBY
22
23 ALAN MARK/ Municipal Electrical
24 KELLY FRIEDMAN/ Association (MEA)
25 MAURICE TUCCI
26
27
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1 APPEARANCES (Cont'd)
2 WENDY EARLE/ Brampton Hydro, Cambridge
3 JAMIE SIDLOFSKY and North Dumfries Hydro,
4 Guelph Hydro, Niagara Falls
5 Hydro, Oakville Hydro,
6 Richmond Hill Hydro,
7 Pickering Hydro and Waterloo
8 North Hydro
9
10 RICK COBURN INCO Limited; Ontario Mining
11 Association
12
13 TED COWAN Ontario Federation of
14 Agriculture
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1 Toronto, Ontario
2 --- Upon resuming on Thursday, February 24, 2000
3 at 0905
4 THE PRESIDING MEMBER: Good morning.
5 A couple of preliminaries from the Board.
6 PREVIOUSLY SWORN: DAVID CURTIS
7 PREVIOUSLY SWORN: ANDY PORAY
8 PREVIOUSLY SWORN: GARY SCHNEIDER
9 PRELIMINARY MATTERS
10 THE PRESIDING MEMBER: I have asked Board
11 staff to talk to everybody about the argument schedule
12 for the proceeding. With the assumption that we will be

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OHNC PANEL 2, cr-ex (Goldsilver)

1 that fact.

2 I guess what I'm trying to get at is that
3 nobody competes directly with --

4 THE PRESIDING MEMBER: Within its service
5 territory there is no one else.

6 MR. GOLDSILVER: Thank you. I'm sorry. That
7 is the point that I was trying to get across.

8 Would you also agree that the newly
9 restructured electricity marketplace envisages a
10 separation of non-monopoly or competitive business
11 activities from monopoly or regulated business
12 activities through the use of separate corporations for
13 each type of activity?

14 MR. SCHNEIDER: Yes, directionally I would
15 agree.

16 MR. GOLDSILVER: Would you agree that one of
17 the purposes of this separation is to prevent regulated
18 companies from providing competitive business activities
19 and competing against competitors' businesses?

20 MR. SCHNEIDER: Yes, that would be one of the
21 purposes.

22 MR. GOLDSILVER: Would you also agree that
23 another purpose of this separation is to avoid
24 cross-subsidization between the regulated and
25 non-regulated or competitive businesses and to ensure
26 that all market participants are treated on a level
27 playing field?

28 MR. SCHNEIDER: Yes.
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OHNC PANEL 2, cr-ex (Goldsilver)

1 MR. GOLDSILVER: It is for this reason that
2 the old Ontario Hydro has had to separate its
3 competitive and monopoly business activities into
4 separate corporations and affiliates. Is that correct?

5 MR. SCHNEIDER: I believe that to be correct.

6 MR. GOLDSILVER: Therefore, the transmission
7 of electricity, as a regulated business function, would
8 have to be carried out in a company separate from other
9 companies providing competitive business activities.

10 MR. SCHNEIDER: Can you repeat that?

11 MR. GOLDSILVER: I'm sorry.
12 The transmission of electricity, as a
13 regulated business function, would have to be carried
14 out in a company separate from other companies providing
15 competitive business activities.

16 MR. SCHNEIDER: Yes, delivering the
17 transmission service. You are correct.

18 MR. GOLDSILVER: Thank you.
19 Would you agree that a competitive business
20 activity is an activity where more than one entity
21 provides that activity where a customer has the option
22 of choosing more than one entity to provide that
23 service?

24 MR. SCHNEIDER: Yes.