October 20, 2025
Ritchie Murray
Registrar
Ontario Energy Board
2300 Yonge Street
P.O. Box 2319
Toronto, Ontario
M4P 1E4

Dear Mr. Murray:

EB-2025-0030 – Hydro One Networks Inc. - 2026 Distribution Rates – CCC Interrogatories

Please find, attached, the interrogatories of the Consumers Council of Canada for Hydro One Networks Inc. pursuant to the above-noted proceeding.

Please feel free to contact me if you have questions.

Yours truly,

Julie E. Girvan

Julie E. Girvan

INTERROGATORIES FOR HYDRO ONE NETWORKS INC.

FROM THE CONSUMERS COUNCIL OF CANADA

RE: EB-2025-0030

2026 ELECTRICITY DISTRIBUTION RATE APPLICATION

CCC- 1
Ref: Exhibit A, Tab 6, Schedule 1, p. 1

Hydro One is requesting recovery of $64.3 million in the Hydro One Distribution RZ, $1.1 million in the Orillia RZ and $4 million in the Peterborough RZ.

a) What are the monthly bill impacts of the Z-factor rate riders only, for all customer classes under Hydro One's proposed recovery periods?
b) What would they be if the recovery period for all three zones was one year?

CCC-2
Ref: Exhibit A/Tab 6, Schedule 1, p. 6

Hydro has provided in Table 1 a summary of the damage resulting from the Z-factor event. Does Hydro One know what the condition of the assets that were replaced were at the time of the storm (poles, cross arms, and transformers)? If so, please provide data regarding the condition of each asset category in each rate zone?

CCC-3
Ref: Exhibit A, Table 6, Schedule 1, p. 6

The evidence states that across the impacted areas, freezing rain coated power lines, poles and vegetation with significant amounts of ice. Please provide a copy of Hydro One's most current vegetation management strategy. Does that strategy differ across Hydro One's service territory? If so, is it different for each of the rate zones? Please explain. Does Hydro One have any current plans to revisit that strategy/strategies in light of the most recent storm?

CCC-4
Ref: Exhibit A, Tab 6, Schedule 1, p. 7

Hydro One has set out a list of recent Major Historical Events and a comparison of THE interruptions and net costs.

a) How does Hydro One define "customer interruptions";

b) Did Hydro One apply for Z-factor relief for any of the other events listed? If so, was Z-factor relief granted? If not, why not?;
c) Why were the overall costs for this event significantly greater than the costs for the 2022 Derecho?

CCC-5
Ref: Exhibit A, Tab 6/Schedule 1/p. 10

The evidence states that Hydro One deployed more that 4,500 resources to aid in the storm response and restore power as quickly as possible. Please define “resources” in this context.

CCC-6
Ref: Exhibit A, Tab 6, Schedule 1, p. 16

Hydro One has set out in Table 4 the Z-factor Net Capital Expenditures, Revenue Requirement Impact of Capital Expenditures, and Asset Removal Costs. Total costs are $223 million and net capital expenditures are $196.2 million:

a) Please provide a detailed calculation as to how the $223 million was derived;
b) Please provide a detailed calculation as to how the $196.2 million was derived;
c) Please provide a detailed calculation as to how the Asset Removal Costs were derived;
d) Please provide a detailed calculation as to how the Revenue Requirement Impact of Capital Expenditures was derived;
e) How does Hydro One define “net capital expenditures”?;

CCC- 7
Ref: Exhibit A, Tab 6, Schedule 1, p. 16

Hydro One has proposed that in the interest of regulatory efficiency it is not seeking recovery of OM&A costs it incurred due to the Z-factor event:

a) What is the total amount of OM&A incurred by rate zone for the Z-factor event?;
b) Please explain how those OM&A amounts by rate zone were derived;
c) Are there capitalized labour costs included in the capital expenditures? If so, please set out those costs and provide all assumptions used to derive those costs.

CCC-8
Ref: Exhibit A, Tab 6, Schedule 1, p. 19

Hydro One has confirmed that its achieved ROE did not exceed the OEB deemed ROE in 2024. The achieved ROE was 9.79% or 43 basis points above the deemed ROE of 9.36%. What was the dollar value of the 43 basis points? What is the projected ROE for 2025?

CCC-9
Ref: Exhibit A, Tab 6, Schedule 1, p. 21

Asset removal costs are the necessary expenses associated with dismantling, decommissioning, or disposing of assets that are damaged or have reached the end of their useful life. Is Hydro One aware of any Z-factor applications where the recovery of asset removal costs was approved by the OEB? If so, please provide a list of those applications.

CCC-10
Ref: Exhibit A, Tab 6, Schedule 1, p. 22

Please provide evidence to demonstrate that the level of costs incurred in response to the Z-factor were prudent. Please provide evidence that Hydro One's emergency response plan is aligned with industry best practice.

CCC-11
Ref: Exhibit A, Tab 6, Schedule 1, p. 22
Please explain what the Distribution Emergency Operations Centre is. Please explain what the DEMP is. What are the costs associated with each currently embedded in base rates.

CCC-12
Ref: Exhibit A, Tab 6, Schedule 1, p. 25
Hydro One refers to the initiatives it undertook to maintain ongoing communications with the public during the severe weather and associated restoration days. What were the overall costs of these initiatives? Are they included in the Z-factor request? Please explain.

CCC-13
Ref: Exhibit A, Tab 6, Schedule 1, p. 21 and 26.

Hydro One's approved Asset Removal Costs are $77 million for 2025 and forecast to be $96.4 million. Why is Hydro One seeking recovery of $25.5 million and not $19.4 million in its Z-factor request?

CCC-14
Ref: Exhibit A/Tab 9/Schedule 1/p. 2

Please explain why some Hydro One Distribution RZ customers are experiencing distribution rate decreases as a result of this Application.

CCC-15
Ref: Exhibit A, Tab 6, Schedule 1

Did Hydro One adhere to its Conditions of Service throughout the Z-factor event? Was its policy regarding customer cost responsibility maintained? If not, please explain.