

**INTERROGATORIES OF TORONTO HYDRO-ELECTRIC SYSTEM LIMITED ("TORONTO HYDRO")
TO ENWIN POWERLINES LTD., ERIE THAMES POWERLINES CORP. AND ESSEX POWER
CORPORATION (HEREINAFTER REFERRED TO AS THE "SW APPLICANTS")
PURSUANT TO PROCEDURAL ORDER #4**

Interrogatory #1:

Reference: Supplemental Pre-Filed Evidence of the SW Applicants dated May 29, 2003, Page 3, Lines 10 through 13

Preamble:

The SW Applicants state that a developer has requested service from Erie Thames Powerlines Corporation ("ETPC") in connection with "a specific green-field development site within the Municipality of Central Elgin (the "Green Field Development"). On page 5 of the supplemental pre-filed evidence, a sample evaluation schema is provided in respect of proposed service area amendments. The SW Applicants propose that the Ontario Energy Board ("OEB") adopt the schema.

I9.16.1 Interrogatory:

Please indicate how this evaluation schema would be applied against the service area amendment necessary for ETPC to serve the Green Field Development assuming Scenario B, together with the results of the application of the schema to the proposed ETPC service area amendment. Specifically, please include a level of detail when describing the results of the review of the application using the schema which approximates that which would be filed with the OEB as part of any application to the Board.

South West Applicants' answer to this question

The developer has expressed a desire to be served by ETPC. That desire is found at page 12 and 13 of ETPC's application. The developer's reasons for this preference are also indicated. This would be the level of detail required to be filed with the OEB as part of an application. Accordingly, this would be a "Scenario A" application, whereby 70% of the Board's decision would be determined by customer preference of distributor. (see page 5 Exhibit 1 of the Supplemental Pre-Filed Evidence of the SW Applicants).

The other 30% of the decision would be based on the impact on existing customers and incumbent distributor. As there are no existing customers affected (except for 1 residential account) and no distributor infrastructure, there would be no impact that required amelioration. Accordingly, the Applicants submit that the Board should approve the application.

Interrogatory #2:

Reference: Supplemental Pre-Filed Evidence of the SW Applicants dated May 29, 2003, Page 12, Lines 22 through 26

Preamble:

The SW Applicants propose a formula for "stranded assets" and contemplates a customer or applicant distributor making a contribution upon switching that would hold the incumbent utility whole.

I9.16.2 Interrogatory:

Please provide a mathematical calculation and description which illustrates the application of the proposed formula wherein the goal of keeping the incumbent utility whole is achieved. Also, in the illustrative example please explain what safeguards exist to ensure that the switching customer does not pay twice for the privilege of switching distributors (e.g. the customer pays directly or indirectly to the incumbent distributor for any stranded asset contribution and the customer pays a second time for the new distributor's infrastructure).

South West Applicants' answer to this question

The SW Applicants would be happy to examine an example or examples provided by the intervenors if they have any in mind for the illustration of specific points.

The formula suggested by the SW Applicants envisions that situations could in fact arise where customers do have to pay twice if they wish to switch distributors. A customer served by one distributor could strand assets if he/she switches to another distributor who proposes to construct a new expansion or connection to accommodate that customer. In the case of the latter distributor, a capital contribution would be required; in any event, the customer would be responsible for his/her share of the cost of the second distributor's infrastructure.