

1 **Wirebury Connections Inc. (Wirebury) INTERROGATORY #7 (Hydro One IR)**

2
3 **Interrogatory**

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5 (a) What is Hydro One's position with respect to overlapping service areas?
6 (b) Would overlap be the easiest way for the Board to administer changes to licensed
7 service areas where a LDC or Hydro One plans to serve a customer in another
8 distributor's service territory?
9 (c) If the answer to (b) is no, please explain why.
10 (d) What does Hydro One think is the best way for the Board to administer changes to
11 licensed service areas?
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14 **Response**

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16 (a) Networks' view is that overlapping service territories are inappropriate because
17 ultimately they translate into uneconomic allocation of scarce societal resources.
18 Given the capital intensive nature of the electricity delivery infrastructure, creation of
19 a "duplicate" system is expensive. It is just as uneconomic and expensive to devalue,
20 under-utilize, or strand existing assets by allowing overlapping service territories.
21 Networks believes the overall public interest would not be served by overlapping
22 territories.
23
24 (b) No.
25
26 (c) Networks does not support overlapping service territories because they would:
27 • undermine the ability to make the planning decisions and economic assumptions
28 required to support infrastructure construction and renewal.
29 • result, where the obligation is shared, in duplication of effort and disputes over
30 the obligation to connect.
31 • result, where the obligation is with one distributor, in a financial burden for the
32 distributor with the more costly-to-serve customers and financial windfall for the
33 distributor with the less costly-to-serve customers.
34 • result in the duplication of assets and uncoordinated planning, with the
35 consequence being uneconomic decision-making and overall higher costs.
36 • bring diseconomies to the servicing of assets, given the duplication of service
37 response required.
38 • increase the risk for electrical safety because of the duplication of lines and
39 increased technical complexity.
40 • result in confusion in emergency situations.
41
42 (d) See Networks' response to Exhibit I8, Tab 10, Schedule 8.