

HYDRO ONE INTERROGATORY #13

INTERROGATORY

At page 7, lines 15 to 19, Elenchus makes the following statement:

"If the incremental costs incurred by the non-incumbent are less than the costs that would be incurred by the incumbent, then the total distribution costs for all distribution customers will be lower if the non-incumbent provides the new connection. Furthermore, the average costs for the combined service area will be minimized if the distributor with the lowest incremental cost for connecting a location provides service."

Why does Elenchus take the short-term incremental cost approach for system expansions when the electric utility planning necessitates the long term strategy to optimize costs?"

RESPONSE

See the responses to Board Staff interrogatory at Ex. J12, T10, S14 and LDC Coalition interrogatory at Ex. J12, T15, S20.

