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Vulnerable Energy Consumers' Coalition (VECC) INTERROGATORY #4

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Interrogatory

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Reference: February 28, 2003 Response to Centre Wellington's Application for Distribution Service Area Amendment, page 1, lines 28-29; page 4, lines 26-27 and page 12, lines 17-19.

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a) Please explain more fully why it is Hydro One's view that service area amendments should be limited to those involving specific (identifiable) customers' connections? In particular, what information is <u>only</u> available when considering a specific customer connection that Hydro One considers to be critical in the OEB's determination as to whether or not a service area amendment should be granted?

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Response

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See Networks' pre-filed evidence at sections 1, 3 and 5. Networks is aware of applications for licence amendment that include (1) specific new individual customers and (2) general expansion into Networks' territory where Networks currently has assets. In the case of specific customers, there is a sound and economic base for the Board to review alternative options. In the absence of specific customers, the Board cannot assess the relative merits of connection costs or stranding and underutilization. The information that is available only in the case of specific customers, such as the Board heard in arguments for Cooperative Hydro Embrun's Phase 1 application (EB-2002-0482), is actual connection cost information and the financial impacts on the incumbent from the loss of growth. Indeed, the incumbent and applicant LDC can provide detailed quantitative information to determine the lowest cost option (connection cost) and the impact on existing assets and customers (i.e., the ability to plan and efficiently utilize existing plant). What is lacking in general service territory expansion, such as the Board heard in arguments for Centre Wellington Hydro application (EB-1999-0269), is precisely this information about the relative financial merits of the application. Instead, the Board is asked, inappropriately, to make value judgements on qualitative variables, such as the relative merits of small LDCs with walk-in counter service and larger LDCs with call centres and web-based services.