

Wirebury Connections Inc. INTERROGATORY #10

Interrogatory

Networks submits that the incumbent distributors will be adversely impacted by allowing new or existing customers to switch to other distributors because of the high fixed-to-variable cost ratio.

Reference: p. 10 L4-11

- a) If new customers can be served through an embedded distributor using the same connection and upstream assets that Networks would have used, what portion of fixed assets would be devalued or underutilized? Please be specific in your response, indicating the type of costs that would be considered as fixed costs and why there would be a potential for stranding in each case.
- b) When Hydro One plans its system, does it assume that all customers will be serviced as individual customers or does it assume that some will be served collectively through wholesale services as in an apartment building? How is design capacity assigned between these two customer types?
- c) From a planning perspective, what is the difference between connecting a high rise multi-unit customer and an embedded distribution service to a horizontal new subdivision?
- d) Does Networks believe that it has an obligation to connect individual units in new high rise apartments or condos if these new buildings will lie along Networks distribution line(s) and the building owner requests a connection in writing? In your response, please assume that the buildings in question are located in Networks service area and are not currently connected to a distribution system.
- e) What costs would be avoided by Networks if the building owner or an embedded distributor provided the individual metered services in (d)?

Response

- a) See Networks' Exhibit J8-12-44 and Exhibit J8-12-45.

Filed: 2003-09-18

RP-2003-0044

Exhibit J8

Tab 12

Schedule 10

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- 1 b) An incumbent LDC's planning considers system capability to meet forecasted area
2 load regardless of how each load is connected/metered. Also, Networks does not
3 assign design capacity.
4
- 5 c) See b) above.
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- 7 d) Networks follows the conditions of its license and Section 28 of the Electricity Act in
8 connecting customers.
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- 10 e) Networks would avoid the costs of individual metering and layouts, and some call
11 handling.
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