

1 **Wirebury Connections Inc. INTERROGATORY #4 (Hydro One IR)**

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3 **Interrogatory**

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5 If new (i.e. unattached or non-metered) customers can be served by an embedded
6 distributor connecting to Hydro One's network to deliver the power at a rate lower than
7 Hydro One, would the embedded solution be more cost effective? If not, please explain
8 why with specific reference to the price and service considerations contained in Objective
9 3 of the *Ontario Energy Board Act, 1998*, (the "OEB Act").

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12 **Response**

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14 Networks does not believe that the establishment of new embedded service territories,
15 whether overlapping or exclusive, is in the public interest. As Networks has noted in its
16 pre-filed evidence, competition for distribution customers has consequences for the
17 incumbent licensed distributor, which has had the obligation to plan for growth for itself
18 and the new embedded service territory, and its customers. (See Networks' pre-filed
19 evidence, sections 3.1, 3.2, 3.3, 5.3 and 5.4). In addition, Networks holds the view, as
20 noted in section 4.0 of its pre-filed evidence, that Objective 3 of the OEB Act is best
21 achieved through the Board's implementation of performance-based regulation of
22 licensed distributors and their distribution tariffs. This regulatory scheme, not
23 competition between distributors, has been selected to create the incentives for Ontario's
24 LDCs that normally accrue in a competitive environment.

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