

1 **Wirebury Connections Inc. INTERROGATORY #9**

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3 **Interrogatory**

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5 In this section of its evidence, Networks implies that despite doing detailed studies to
6 determine customer needs, the utility builds its system to meet a minimum installed
7 capacity even where that minimum exceeds customer needs.

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9 Reference: p.9, L7-8

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11 a) To what degree does Networks over build its distribution lines, i.e. what
12 amount of extra capacity is normally built into system expansion projects to
13 meet the company's load forecasts?
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15 b) How is over building cost effective except for future growth? Under this
16 approach are attached customers subsidizing future growth or do they receive a
17 rebate when the future customers are connected?
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19 c) What type of assets are considered to be customer specific and therefore
20 candidates for stranding and how far upstream are these assets from the
21 customer connection point? When and how does Networks assign capacity
22 and assets to specific customers? If the assets in question remain available to
23 be used to serve other customers why would Networks consider them to be
24 stranded?

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27 **Response**

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29 (a) and (b)

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31 Networks plans for its service territories and installs facilities to meet the current and
32 forecasted customer load growth in accordance with the Distribution System Code (DSC)
33 Sections 3.2.3 and 3.4.1. Technical considerations, which are consistent with good utility
34 practice, such as availability of standard equipment sizes and long-term planning, may
35 result in installed capacities being greater than current needs. Since Networks has
36 already followed this practice, existing facilities may have installed capacity that would
37 be underutilized if forecasted new customers do not materialize. Networks does not plan
38 capacity that can never be used.

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40 Customers who have triggered initial expansion and have paid a capital contribution are
41 entitled to a rebate in accordance with the DSC when other customers connect to these
42 assets.

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(c) Networks does not assign capacity or assets to specific customers.

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Networks does not agree that only customer specific facilities can be stranded.

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Existing upstream facilities may also be stranded or under-utilized. Customer specific

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facilities include such items as transformers, wires and meters. Facilities planned,

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designed and installed to serve forecasted load growth would be under-utilized and

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therefore would not reach their full potential for revenue generation.

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