

1 **HYDRO ONE NETWORKS INC. INTERROGATORIES –**
2 **ERIE THAMES POWERLINES INC.**

- 3
- 4 1. Please explain how overlapping of distribution service areas will promote
5 economic efficiency in the distribution of electricity.
- 6
- 7 2. Is Erie Thames Powerlines proposing to:
- 8
- 9 (a) Construct distribution lines in Networks' service area in order to connect
10 customers in the expanded area?
- 11 (b) Connect new customers from Networks' system through Retail Points of
12 Supply?
- 13 (c) Connect new customers from Networks' system through Wholesale Points of
14 Supply?
- 15 (d) Enter into Joint Use agreements with incumbent LDCs, and share facilities?
- 16 (e) Connect new customers by any other means?. Please provide details.
- 17
- 18 3. Please explain the linkage in Page 6 Item 5(a) between the "competition in the
19 generation and sale of electricity" and distribution service area expansions.
- 20
- 21 4. What are Erie Thames Powerlines' SQI statistics, as defined by the Distribution
22 Electricity Rate Handbook, for Emergency response, SAIDI, CAIDI, SAIFI, and
23 new connections for the past 3 years?
- 24
- 25 5. Please provide the following information for the Port Stanley area.
- 26
- 27 (a) The number of customers served in your licensed service area.
- 28 (b) The kilometres of distribution line installed.
- 29 (c) The number of Municipal Stations operated, locations, and available capacity.
- 30 (d) The kilometres of joint-use line in the current service area.

- 1 (e) The percentage of pole ownership of the joint-use line in the current service
- 2 area.
- 3 (f) The policy for new connections and expansions.
- 4 (g) The current Conditions of Service Document.
- 5 (h) How customer inquiries are (i) handled during working hours, and (ii) after
- 6 working hours.
- 7 (i) Identify the billing and payment options available to your customers.
- 8 (j) The number of Wholesale and Retail supply points, the feeder designations
- 9 and supply voltages, and the available capacity to serve customers from these
- 10 supply points.

11

12 6. Please provide the following information.

13

- 14 (a) Erie Thames Powerlines' outage statistics for the years 2001 and 2002, broken
- 15 down by planned and unplanned (forced).
- 16 (b) How many major power interruptions have there been in Port Stanley since
- 17 December 31, 1999 and what was their duration?
- 18 (c) What was the cost of the recent replacement or refurbishment of the Erie
- 19 Thames distribution station in Port Stanley?
- 20 (d) What is the size and loading of the distribution station and what were the
- 21 planning assumptions in the sizing of the new station?
- 22 (e) What was the size and loading of the distribution station that was replaced or
- 23 refurbished?

24

25 7. Please explain how this application assists Erie Thames Powerlines to avoid

26 revenue disruption as noted on page 9, Item E 4. What is your definition of

27 "revenue disruption" in this context.?

28

29 8. Please explain how this application for an overlapping service area contributes to

30 the greater integration of skilled service workforce and equipment assets available

31 in the immediate vicinity (Page 11, Item E – 3).

32

- 1 9. On Page 11, Item (e) 2 Erie Thames Powerlines maintains that it has load capacity
2 to serve both current and future customers in the proposed expansion area.
3 However, you go on to state that appropriate load forecasts and system
4 augmentation considerations will be developed once future land uses are
5 determined. Please explain:
6
- 7 (a) Does Erie Thames Powerlines currently have excess capacity to serve the
8 proposed expansion area without the need for additional connection or
9 transformation expenditures? Please provide a copy of the studies that support
10 this answer.
- 11 (b) Will Erie Thames Powerlines require upstream capacity for distribution or
12 transmission facilities for the expansion area? Please provide a copy of the
13 studies that support this answer.
- 14 (c) What is the projected load growth in the expansion area? Please provide a
15 copy of the study that supports this answer.
16
- 17 10. On page 9 Item (e) 1 of the application, Erie Thames Powerlines states that the
18 proposed expansion will not strand distribution assets as the proposed
19 developments are currently un-serviced green field sites. Erie Thames Powerlines'
20 application is for a general service area expansion including areas that Networks
21 currently has assets and customers. Please reconcile these statements.
22
- 23 11. Who will have the obligation to:
24
- 25 (a) Provide an offer to connect if Erie Thames Powerlines is awarded an
26 overlapping service area with Networks?
- 27 (b) Plan for future capacity if Erie Thames Powerlines is awarded an overlapping
28 service territory with Networks?
29

- 1 12. In Section 5 (b) of the application, it is stated “Erie Thames would provide
2 consumers with non-discriminatory access to distribution systems in their
3 community”. Please define what “non-discriminatory access” is in this context.
4
- 5 13. Attached is a copy of a Canadian News Wire release dated June 9, 2003. The
6 release details the announcement of a new partnership between Oncor Utility
7 Solutions of Texas, USA, and Erie Thames. Please explain:
8
- 9 (a) What the impact to the number of current Erie Thames Powerlines staff will
10 be?
 - 11 (b) How this will contribute to “streamlined” local planning requirements for
12 customers?
 - 13 (c) What the impact to current operations and procedures will be?
 - 14 (d) Where the strategic skills are to be centralized?
15
- 16 14. Please provide the technical reasons why the developer, Erie Heights Properties
17 Inc, requires three-phase power in the proposed development.
18
- 19 15. Please provide the number of lots that comprise the proposed Erie Heights
20 Properties Inc. development, the forecasted number of retail, commercial, school,
21 and institutional services in the development.
22
- 23 16. On Page 4 of the application Erie Thames Powerlines states that its application
24 meets the developer’s desire to work with Erie Thames noting the potential
25 economic benefit accruing to the developer? What economic benefit accrues to
26 the developer?
27
- 28 17. On Page 3, Item 1 of the Supplemental Evidence, it is stated that Networks does
29 not have suitable facilities in the immediate vicinity of the property in question.
30 Please provide the evidence for this statement.
31

- 1 18. On Page 3, Item 1 of the Supplemental Evidence, it is stated the application for
2 Erie Thames would create an overlapping service area. Please confirm this and
3 describe the overlapping area.
4
- 5 19. On page 5, Exhibit 1, Scenario A, of the Supplemental Evidence suggests that the
6 weighting the Board should use for customer preference is 70%. Please explain
7 how this number was arrived at. Is this weighting applicable only to the customers
8 in the amendment area or also to customers outside the amendment area?
9
- 10 20. Please respond to the following questions.
11
- 12 (a) On Page 5, Exhibit 1, Scenario B of the Supplemental Evidence provides
13 weightings for impacts to the incumbent distributor at 30%. On what basis
14 was this number derived?
- 15 (b) On Page 5, Exhibit 1, Scenario B of the Supplemental Evidence, a number of
16 other considerations and weightings are provided. On what basis were these
17 numbers arrived at?
- 18 (c) On page 5, Exhibit 1, Scenario B, of the Supplemental Evidence, it is
19 suggested that municipal planning considerations should have weight in the
20 Board's decision. What statutory authority do municipal planning departments
21 have over electrical, telephone, gas, fibre optic, and cable TV infrastructure?
22
- 23 21. What is the vintage of the Erie Thames three-phase assets that will be used to
24 supply the amendment area and the eastern side of Port Stanley?
25
- 26 22. On Page 12 of the Supplemental Evidence it states that amendments can occur
27 when the customers and the distributor will not be burdened by un-recovered asset
28 costs directly employed in serving customers who switch. The submission then
29 goes on to exclude costs related to billing systems, service vehicles, buildings, O
30 and M costs, and does not mention upstream installed capacity costs.
31

- 1 (a) Please explain what specifically is contemplated as being stranded by the
2 customer switching.
- 3 (b) Please explain the equation put forward for calculating the value of the
4 stranded assets. Does the equation not provide for a negative value in all cases
5 when the NPV of future residual revenue streams is subtracted from narrowly
6 defined stranded asset value? If not, please provide an example.
- 7 (c) Please explain how a “narrow definition” of stranded assets will result in
8 distributors aggressively managing overhead costs to be competitive.

9

10 23. Is it the applicant’s view that Networks’ distribution role is limited to being the
11 supplier of customers that want to be served by Networks, and that the applicant
12 and others do not want to serve?

13

14 24. On Page 15, lines 27 and 28 of the Supplemental Evidence it states that whichever
15 licensed distributor receives the request for connection, is the one obligated to
16 serve. Based upon this view how would a distributor plan and make ready
17 capacity for future growth within its licensed service area?

18

19 Attachment – Canadian News Wire Release.