

1           **HYDRO ONE NETWORKS INC. INTERROGATORIES –**  
2                                   **ESSEX POWERLINES LTD.**

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- 4    1.    Please explain how overlapping of distribution service areas will promote  
5           economic efficiency in the distribution of electricity.  
6
- 7    2.    Essex Powerlines proposing to:
- 8
- 9           (a) Construct duplicate distribution lines in Networks' service area in order to  
10           connect 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 mean? Please provide details  
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- 18    3.    Please explain the linkage in Section 3 Item (a) of the application between the  
19           "competition in the generation and sale of electricity" and distribution service  
20           area expansions.  
21
- 22    4.    What are Essex Powerlines' SQI statistics, as defined by the Distribution  
23           Electricity Rate Handbook, for Emergency response, SAIDI, CAIDI, SAIFI, and  
24           new connections for the past 3 years?  
25
- 26    5.    Please provide the following information.  
27
- 28           (a) The number of customers served in your licensed service areas.  
29           (b) The kilometres of distribution line installed.  
30           (c) The number of Municipal Stations operated, locations, and available capacity.  
31           (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 normal working hours, and (ii)  
6 after 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. What are your outage statistics for the years 2001 and 2002, broken down by  
13 planned and unplanned (forced)?
- 14
- 15 7. Please explain how this application assists Essex Powerlines to avoid revenue  
16 disruption as noted on page 11, Item E 4..
- 17
- 18 8. Please explain how this application for an overlapping service area contributes to  
19 the greater integration of skilled service workforce and equipment assets available  
20 in the immediate vicinity (Page 11, Item E – 3).
- 21
- 22 9. How does this application promote economic efficiency in the distribution of  
23 electricity when there are still four distributors in Essex County?
- 24
- 25 10. On Page 11, Item (e) 2, Essex Powerlines maintains that it has load capacity to  
26 serve both current and future customers in the proposed expansion area. However,  
27 the application goes on to state that appropriate load forecasts and system  
28 augmentation considerations will be developed once future land uses are  
29 determined. Please explain:
- 30
- 31 (a) Does Essex Powerlines currently have excess capacity to serve the proposed

- 1 Expansion area without the need for additional connection or transformation  
2 expenditures? Please provide a copy of the studies that support this answer.
- 3 (b) Will Essex Powerlines require additional upstream capacity for distribution or  
4 transmission facilities? Please provide a copy of the studies that support this  
5 answer.
- 6 (c) What is the projected load growth in the expansion area? Please provide a  
7 copy of the study that supports this answer.
- 8
- 9 11. On page 11 Item (e) 1, Essex Powerlines states that the proposed expansion will  
10 not strand distribution assets as the proposed developments are currently  
11 unserviced green field sites. Essex Powerlines' application is for a general service  
12 area expansion. Please reconcile these statements.
- 13
- 14 12. Who will have the obligation to:
- 15
- 16 (a) Provide an offer to connect if Essex is awarded an overlapping service  
17 area with Networks?
- 18 (b) To plan for future capacity if Essex is awarded an overlapping service  
19 territory with Networks?
- 20
- 21 13. In Section 3 of the application, item (b), it states "Essex would provide consumers  
22 with non-discriminatory access to distribution systems.....". Please define what  
23 "non-discriminatory access" is in this context.
- 24
- 25 14. Attached is a copy of a Canadian New Wire release dated June 9, 2003. The  
26 release details the announcement of a new partnership between Oncor Utility  
27 Solutions, Texas, USA, and Essex Powerlines. Please explain:
- 28
- 29 (a) What the impact to the number of current Essex Powerlines staff will be.
- 30 (b) How this will contribute to "streamlined" local planning requirements for  
31 customers?

- 1 (c) What the impact to current operations and procedures will be.
- 2 (d) Where the strategic skills are to be centralized.
- 3
- 4 15. Please provide, as Essex Powerlines understands it, the locations of all planned  
5 developments for each of your service territories, including the proposed number  
6 of residential lots and commercial developments, the timing of their development  
7 and their contiguity with the existing service territory.
- 8
- 9 16. Please provide details of Essex Powerlines' operational presence in Amherstburg  
10 and Leamington including the location of offices, storage depots, parking yards,  
11 etc.
- 12
- 13 17. Provide details of the Essex Powerlines' operational presence in Amherstburg and  
14 Leamington, including the location of any office, operations centre or address  
15 where service vehicles are parked.
- 16
- 17 18. Does Essex Powerlines' commitment to local response in Amherstburg and  
18 Leamington depend on employees residing in Amherstburg and Leamington?
- 19
- 20 19. Please respond to the following questions.
- 21
- 22 (a) Does Essex Powerlines have policies for employee hiring that ensure that  
23 employees will always live in Amherstburg and Leamington after any current  
24 employees from Amherstburg and Leamington that fulfil local service  
25 response no longer live in Amherstburg and Leamington?
- 26 (b) What happens to service response in Amherstburg and Leamington when the  
27 employees from Amherstburg and Leamington are on vacation?
- 28
- 29 20. What are the dates, area descriptions and quantitative details of past annexations  
30 of Ontario Hydro service territory in each of Essex Powerlines' service  
31 territories?

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21. Please provide, as Essex Powerlines understand it, the number of lots developed in each of the last three years in each of the municipalities served by Essex Powerlines and how many of these lots have been in the Essex Powerlines service territory?

22. On how many poles do you have joint use facilities on Networks' poles and how much do you pay Networks for this joint-use?

23. Do the shareholder municipalities of Essex Powerlines provide for all of their own water or wastewater needs or do they rely on alternative service providers such as the Ontario Clean Water Agency, or other municipalities such as Windsor?

24. Are there any general development constraints in the amendment areas of the shareholder municipalities with respect to the capacity of the water and wastewater facilities? Are there any development constraints in any of the shareholder municipalities with respect to the capacity of the water and wastewater facilities with respect to specific developments, such as that proposed by Vandolay Developments Ltd. and Pietro Valente In Trust?

25. Will the Vandolay and Valente developments be serviced by taps off Networks' existing 27.6 kV lines on the edge of these developments or will Essex Powerlines construct assets that pass over, under or through Networks' existing 27.6 kV lines?

26. Please respond to the following questions.

(a) On page 5, Exhibit 1, Scenario A of the Supplemental Evidence suggests that the weighting the Board should use for customer preference is 70%. Please explain how this number was arrived at. Is this weighting applicable only to

- 1 the customers in the amendment area or also to customers outside the  
2 weighting area?
- 3 (b) On Page 5, Exhibit 1, Scenario B of the Supplemental Evidence provides  
4 weightings for impacts to the incumbent distributor at 30%. On what basis  
5 was this number derived?
- 6 (c) On Page 5, Exhibit 1, Scenario B of the Supplemental Evidence, a number of  
7 other considerations and weightings are provided. On what basis were these  
8 numbers arrived at?
- 9
- 10 27. On page 5, Exhibit 1, Scenario B, of the Supplemental Evidence, it states that  
11 suggest that municipal planning considerations should have weight in the Board's  
12 decision. What statutory authority do municipal planning departments have for  
13 electrical, telephone, gas, fibre optic, and cable TV infrastructure?
- 14
- 15 28. On Page 12 of the Supplemental Evidence it states that amendments can occur  
16 only when the customers and the distributor will not be burdened by unrecovered  
17 asset costs directly employed in serving customers who switch. The submission  
18 then goes on to exclude costs related to billing systems, service vehicles,  
19 buildings, O and M costs, and does not mention upstream installed capacity costs.
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- 21 (a) Please explain what specifically is contemplated as being stranded by the  
22 customer switching.
- 23 (b) Please explain the equation put forward for calculating the value of the  
24 stranded assets. Does the equation not provide for a negative value in all cases  
25 when the NPV of future residual revenue streams is subtracted from narrowly  
26 defined stranded asset value? If not, please provide an example.
- 27 (c) Please explain how a "narrow definition" of stranded assets will result in  
28 distributors aggressively managing overhead costs to be competitive.
- 29
- 30 29. On Page 15, lines 27 and 28 of the Supplemental Evidence it states that whichever  
31 licensed distributor receives the request for connection, is the one obligated to

1           serve. Based upon this view how would a distributor plan and make plan and  
2           make ready capacity for future growth within its licensed area?

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4   Attached – Canadian News Wire Release