

1 **HYDRO ONE NETWORKS INC. INTERROGATORIES –**
2 **VERIDIAN CONNECTIONS INC.**

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- 4 1. Please explain how overlapping of distribution service areas will promote
5 economic efficiency in the distribution of electricity.
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- 7 2. Is Veridian Connections proposing to:
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- 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.
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- 18 3. What are Veridian Connections' SQI statistics, as defined by the Distribution
19 Electricity Rate Handbook, for Emergency response, SAIDI, CAIDI, SAIFI, and
20 new connections during the past 3 years?
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- 22 4. Please provide the following information.
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- 24 (a) The number of customers served in your licensed service areas.
- 25 (b) The kilometres of distribution line installed.
- 26 (c) The number of Municipal Stations operated, locations, and available capacity.
- 27 (d) The kilometres of joint-use line in the current service area.
- 28 (e) The percentage of pole ownership of the joint-use line in the current service
29 area.
- 30 (f) The policy for new connections and expansions.
- 31 (g) The current Conditions of Service Document.

- 1 (h) How customer inquiries are handled (i) during working hours, and (ii) after
2 working hours.
- 3 (i) Identify the billing and payment options available to your customers.
- 4 (j) The number of Wholesale and Retail supply points, the feeder designations
5 and supply voltages, and the available capacity to serve customers from these
6 supply points.
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- 8 5. What are your outage statistics for the years 2001 and 2002, broken down by
9 planned and unplanned (forced)?
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- 11 6. In Section 2.9 of the application Veridian Connections maintains that it has load
12 capacity to serve both current and future customers in the proposed expansion
13 area. However, the application goes on to state that appropriate load forecasts and
14 system augmentation considerations will be developed once future land uses are
15 determined. Please explain:
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- 17 (a) Does Veridian Connections currently have excess capacity to serve the
18 proposed expansion areas without the need for additional connection or
19 transformation expenditures? Please provide a copy of the studies that support
20 the answer.
- 21 (b) Will Veridian Connections require upstream capacity for distribution or
22 transmission facilities for each of expansion areas? Please provide a copy of
23 the studies that support the answer.
- 24 (c) What is the projected load growth in the expansion areas? Please provide a
25 copy of the study that supports the answer.
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- 27 7. Who will have the obligation to:
- 28 (a) Provide an offer to connect if Veridian Connections is awarded an
29 overlapping service area with Networks?
- 30 (b) To plan for future capacity if Erie Thames Powerlines is awarded an
31 overlapping service territory with Networks?

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8. In Section 4.3 of the application, it is stated “The proposed amendment to broaden the distribution service area of the nine communities is in the best interest of customers because it offers the choice of non-discriminatory access to the Company’s distribution system.” Please define what “non-discriminatory access” is in this context.

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9. In section 2.9 it is stated that the Company will be able to offer “efficient network services and connections to customers at costs significantly less than other distributors.” What other distributors is Veridian referring to? Has Veridian applied to overlap the service areas of other distributors?

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10. In Section 1.3 of the application it is stated that Veridian’s service areas are “limited” to the urban service boundaries of the former municipalities of Cannington, Beaverton, Sunderland, Uxbridge, Bowmanville, Newcastle, Orono, Port Hope, and Belleville. Please provide the documentation that confirms that the existing distribution service areas for Veridian are defined to extend to the former municipal boundaries as established by the communities in law.

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11. In Section 2.2 of the application it is stated that there is no expectation that the service area boundary changes proposed would result in any direct competition between the two companies. As your application proposes to overlap Networks’ existing area, please explain how competition would not occur between the two distributors for new and existing customers.

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12. In section 2.12 of the application, Veridian suggests among other things that it will cooperate with other electricity distributors and utility companies to avoid unnecessary duplication. Please explain how duplication will be avoided when Veridian intends to overlap Networks’ service area.

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1 13. In Section 2.6 of Veridian’s Reply Submission it is stated that duplication already
2 exists with Hydro One and other local distribution companies through the use of
3 common agreements such as joint-use pole arrangements. Please explain how
4 joint-use agreements are a duplication of assets.

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6 14. In section 2.7 of the Reply Submission, Veridian states that customers should
7 decide who the service provider will be. Please explain which customers should
8 have this choice:

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- 10 (a) New Veridian customers in the amendment area?
- 11 (b) Existing Veridian customers outside the amendment area?
- 12 (c) New Networks’ customers in the amendment area?
- 13 (d) Existing Networks’ customers outside the amendment area?
- 14 (e) Existing customers in the amendment area?

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16 15. In Section 2.10 of the Reply Submission, it is stated that the expansion is rational
17 because capital will be used in an efficient and cost effective manner, which
18 would best support development areas in the communities. Please explain this
19 statement.

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21 16. In Section 3.3 of the Reply Argument, Veridian states “Hydro One’s licence is
22 based on enacted legislation and contracts. If that interpretation is accepted, then
23 the Company’s service area should be expanded to a greater area while allowing
24 for LDC services offered by Hydro One”. Please explain this statement.

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26 Further in Section 3.3 of the Reply Argument, it is stated that the Company is
27 seeking to expand service only to the growth areas. Is it Veridian’s intent then to
28 grow its asset and customer base over time by continually connecting new
29 customers who are located in others LDCs service areas? Should other LDCs,
30 including, but not exclusively Networks, be permitted to expand into Veridian’s
31 service area where growth occurs?

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17. Section 3.8 of the Reply Argument states that Networks “fails to address costs to downstream users in the communities”. Please explain this statement.

18. In the Distribution Electricity Rate Handbook, Chapter 3: Establishing Initial Unbundled Rates, 3.2 Unbundling Current Rates, paragraph 3, it states:

“Ideally, cost allocation studies would be available to guide the unbundling process. Unfortunately, the studies that are available are old. Hence, a simplified procedure is described here for unbundling existing rates. Should a utility have better information on which to unbundle rates, they are encouraged to use such information, as long as justification can be provided in support of initial rates.”

Did Veridian submit a cost of service study with its rate application? If not, how does Veridian contend that the rates for any LDC in the province were subjected to a thorough and complete regulatory process to determine cost-based rates?

19. Please provide Veridian’s approved Residential and General Service/Commercial rates for each of the areas where Veridian proposes to expand its licensed service area.

20. Networks believes that Veridian has not yet harmonized the rates it offers in the various communities it serves. Has Veridian advised customers that rates will change at the very least due to harmonization and the application of Networks’ LV charges? How then does Veridian expect customers to make rational decisions regarding service providers in the absence of this information?

21. Please provide the details, citations, references, from municipal planning documents, as to how the proposed new boundaries were established and how they relate to the existing boundaries as established in law.

1 22. Please provide, as Veridian understands it, the locations of all planned
2 developments for each of the proposed service area expansions, including the
3 proposed number of residential lots and commercial developments, the timing of
4 their development and their contiguity with existing service territory.

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6 23. How many lots have developed in each of the last three years in the each of the
7 municipalities affected by Veridian's application and how many of these lots have
8 been in Veridian service territory each year?

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10 24. The depiction of the "Existing Veridian Service Territory (Port Hope)" is larger
11 than the old Town of Port Hope prior to the annexation from Hope Township in
12 1990. Since a municipal utility under the former Public Utilities Act and the
13 former Power Corporation Act could not serve beyond its boundary, please
14 provide documented evidence of:

- 15
16 (a) any annexation by the former Port Hope HEC from Ontario Hydro to the
17 annexed areas from the former Hope Township;
- 18 (b) any acquisition by the Veridian Corporation of assets from Networks and the
19 supporting licence amendment.

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21 25. The depiction of the "Existing Veridian Service Territory (Bowmanville)" is
22 larger than the old Town of Bowmanville as it existed prior to the creation of the
23 Municipality of Clarington. Since a municipal utility under the former Public
24 Utilities Act and the former Power Corporation Act could not serve beyond its
25 boundary, please provide documented evidence of:

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27 (a) any annexation by the former Town of Bowmanville from the former
28 Darlington Township for these areas;
- 29 (b) any annexation by the former Bowmanville PUC from Ontario Hydro to the
30 annexed areas from the former Darlington Township;
- 31 (c) any annexation by the Municipality of Clarington HEC from Ontario Hydro

- 1 (d) any acquisition by the Veridian Corporation of assets from Networks and the
2 supporting licence amendment.
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- 4 26. Pursuant to what provision in its licence did Veridian connect customers, such as
5 the RCMP office, on the south side of Baseline Rd. east and west of Waverly Rd.
6 in Clarington?
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- 8 27. The depiction of the “Existing Veridian Service Territory (Newcastle)” appears to
9 be larger than the old Village of Newcastle as it existed prior to the creation of the
10 Municipality of Clarington. Since a municipal utility under the former Public
11 Utilities Act and the former Power Corporation Act, could not serve beyond its
12 boundary, please provide documented evidence of:
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- 14 (a) any annexation by the former Village of Newcastle from the former Clarke
15 Township for these areas;
16 (b) any annexation by the former Newcastle HEC from Ontario Hydro to the
17 annexed areas from the former Clarke Township;
18 (c) any annexation by the Municipality of Clarington HEC from Ontario Hydro
19 (d) any acquisition by the Veridian Corporation of assets from Networks and the
20 supporting licence amendment.
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- 22 28. In Port Hope, Veridian has currently connected or is in the process of connecting
23 approximately 100 homes in a sub-division (that will be larger) south of Marsh
24 Rd. on Rapley Blvd., Jarvis Dr., Huffman Ave. and Jeffries St. in an area outside
25 the depiction of the "Existing Veridian Port Hope Territory" in Veridian's
26 application. Please provide the licence amendment that sanctioned these
27 connections. If there is not a licence amendment for this area, why did Veridian
28 not request an urgent connection application for these customers as it did for the
29 Hastings Manor application?
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- 1 29. In the map appendixes to the application, Veridian has indicated that its "Existing
- 2 Veridian Clarington Territory (Newcastle)" includes the hamlet of Bond Head.
- 3 Please provide the legal foundation for Bond Head being included in the
- 4 Newcastle service area of Veridian.

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