

1 **HYDRO ONE NETWORKS INC. INTERROGATORIES –**
2 **CENTRE WELLINGTON HYDRO CORP.**

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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. Is Centre Wellington Hydro 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 1, Item 1.2 of the Reply submission, between
19 the "competition in the generation and sale of electricity" and distribution service
20 area expansions.
- 21
- 22 4. What are Centre Wellington Hydro's 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 handled (i) 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. What are your outage statistics for the years 2001 and 2002, broken down by
- 13 planned and unplanned (forced)?
- 14
- 15 7. How does this application promote economic efficiency in the distribution of
- 16 electricity when there are still two distributors in the area?
- 17
- 18 8. In Section 2.10 Centre Wellington Hydro maintains that it has load capacity to
- 19 serve both current and future customers in the proposed expansion area. However,
- 20 the application goes on to state that appropriate load forecasts and system
- 21 augmentation considerations will be developed once future land uses are
- 22 determined. Please explain:
- 23
- 24 (a) Does Centre Wellington Hydro currently have excess capacity to serve the
- 25 proposed expansion area without the need for additional connection or
- 26 transformation expenditures? Please provide a copy of the studies that support
- 27 this answer.
- 28 (b) Will Centre Wellington Hydro require additional upstream capacity for
- 29 distribution or transmission facilities? Please provide a copy of the studies that
- 30 support this answer.

- 1 (c) What is the projected load growth in the expansion area? Please provide a
2 copy of the studies that support this answer.
- 3 (d) Who will have the obligation to provide an offer to connect if Centre
4 Wellington Hydro is awarded an overlapping service area with Networks?
- 5 (e) Who will have the obligation to plan for future capacity if Centre Wellington
6 Hydro is awarded overlapping service territory with Networks?
7
- 8 9. In Section 4.3 of the application it is stated “The proposed amendment to broaden
9 the distribution service area in the Township of Centre Wellington is in the best
10 interest of customers in the municipality because it offers the choice of non-
11 discriminatory access”. Please define what “non-discriminatory access” is
12 in this context.
13
- 14 10. In Sections 1.5 Centre Wellington Hydro indicates it wishes to service only the
15 “urban” areas around Fergus and Elora. Please explain why Centre Wellington
16 Hydro does not want to service the balance of the community.
17
- 18 11. In Section 1.11 it is stated that you have carefully considered the municipal
19 planning and development goals of the Township in the Fergus and Elora areas.
20 Please provide citations, references, and dates of the Official Plan that identifies
21 these goals.
22
- 23 12. In Section 2.2 of the application it is stated that there is no expectation that the
24 service area boundary changes proposed would result in any direct competition
25 between the two companies. As your application intends to overlap Networks’
26 existing area, please explain how competition would not occur between the two
27 distributors for new and existing customers.
28
- 29 13. In section 2.9 of the application it is stated that the Company will be able to offer
30 efficient network services and connections to customers at costs significantly less

1 than other distributors. What other distributors is Centre Wellington referring to?
2 Please provide the studies that support this statement.

3

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

6

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

12

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

17

18 15. In section 2.13 of the application Centre Wellington Hydro suggests it will
19 cooperate with other electricity distributors and utility companies to avoid
20 unnecessary duplication. Please explain how this would be accomplished if the
21 amendment is granted.

22

23 16. In Section 2.8 of the Reply Submission it is stated that customers should decide
24 who the service provider will be. Please explain which customers should have this
25 choice:

26

27 (a) New Centre Wellington Hydro customers in the amendment area?

28 (b) Existing Centre Wellington Hydro customers outside the amendment area?

29 (c) New Networks’ customers in the amendment area?

30 (d) Existing Networks’ customers outside the amendment area?

31 (e) Existing customers in the amendment area?

1

2 17. In Section 3.3 of the Reply Argument “Hydro One’s licence is based on enacted
3 legislation and contracts. If that interpretation is accepted, then the Company’s
4 service area should be expanded to a greater area while allowing for LDC services
5 offered by Hydro One”. Please explain the role and obligations envisioned for
6 both Centre Wellington Hydro and Networks under this proposal.

7

8 18. Further in Section 3.3 of the Reply Argument, it is stated that the Company is
9 seeking to expand service only to the growth areas. Is it Centre Wellington
10 Hydro’s intent then to grow its asset and customer base over time by continually
11 connecting new customers who are located in other LDCs service areas? Should
12 other LDCs, including but not exclusively Networks be permitted to expand into
13 Center Wellington Hydro’s service area where growth occurs?

14

15 19. Subsection 70(6) of the Act states:

16

17 *Non-exclusive*

18 *(6) Unless it provides otherwise, a licence under this Part shall not hinder or*
19 *restrict the grant of a licence to another person within the same area and the*
20 *licensee shall not claim any right of exclusivity. 1998, c. 15, Sched. B, s. 70 (6).*

21

22 In Section 3.5 of the Reply Submission it states that that the Company submits
23 that this subsection allows companies that have sufficient capacity in growing
24 service areas to offer lower-cost and efficient network services and connections to
25 customers where such expansion is based on actual and projected growth
26 development and/or network capacities for the Township being served. Please
27 explain.

28

29 20. In Section 4.8 of the Reply Submission, dated March 28, 2003, Centre Wellington
30 Hydro stated that the legal descriptions of the expansion areas such as metes and
31 bounds were impractical, cumbersome, inefficient, and costly, and contrary to

1 subsection 70(6) of the OEB Act. Centre Wellington Hydro's licence renewal
2 application includes a legal description of the former municipal boundary, with
3 supporting documentation. Why is it that Centre Wellington Hydro accepts that a
4 specific description is required for its existing service area, but not for the
5 expansion areas sought?

6

7 21. In Appendix B of the Reply Submission, Centre Wellington Hydro identifies
8 areas highlighted in yellow as proposed fringe development areas. On what basis
9 are these areas identified as such. Please provide supporting evidence.

10

11 22. In Appendix B of the Reply Submission, the amendment area is indicated by a
12 dashed purple line. Please provide the rationale and supporting evidence for the
13 dimensions of the proposed expansion area.

14

15 23. Appendices D and E of the Reply Submission do not indicate the ownership of the
16 lines depicted in the drawing. Please identify the ownership of these lines.

17

18 24. In the attached letter dated January 16, 2003 and addressed to Ted Arnott, MPP
19 you state "In the case of having two distributors in the fringe area (such as this
20 situation), Hydro One would continue to be the default distributor to ensure that
21 regardless of what happens, new customers on the boundaries would be assured of
22 receiving electrical service." Please explain the situations where Centre
23 Wellington Hydro would offer service to customers in the fringe area. Would
24 Networks always be the default supplier.

25

26 25. Please provide, as Centre Wellington Hydro understands it, the time frame for the
27 development of the designated fringe areas and the development of the
28 amendment area.

29

30 26. Please provide the locations of all planned developments, as Centre Wellington
31 Hydro understands it, in the proposed expanded service territories, including the

1 proposed number of residential lots or commercial developments, the timing of
2 their development and their contiguity with existing service territory.

3

4 27. Please provide, as Centre Wellington Hydro understands it, the number of lots
5 that have been developed in each the last three years in the Municipality of Centre
6 Wellington and how many of these lots have been in the Centre Wellington
7 service territory each year.

8

9 28. Please provide, as Centre Wellington Hydro understands it, the number of lots
10 that are permitted to be developed in each of Fergus and Elora each year.

11

12 29. Please provide the date for the Official Plan for the County of Wellington and the
13 Township of Centre Wellington, and if there is not one for the latter, what are the
14 dates for the Official Plans of the former municipalities of Elora and Fergus.

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16

17 Attached - Letter to Ted Arnott, MPP