

**BEFORE THE ONTARIO ENERGY BOARD**

**IN THE MATTER OF** the Ontario Energy Board Act, 1998,  
S.O. 1998, c.15, (Sched. B);

**AND IN THE MATTER OF** applications by Centre Wellington Hydro, Veridian Connections Inc., EnWin Powerlines Ltd., Erie Thames Powerlines Corp., Chatham-Kent Hydro Inc., Essex Powerlines Corp., Cooperative Hydro Embrun Inc. and Hydro One Networks Inc. pursuant to subsection 74(1) of the Ontario Energy Board Act, 1998 to amend Schedule 1 of their Transitional Distribution Licences.

**Vulnerable Energy Consumers' Coalition ("VECC")  
Interrogatories Regarding Evidence Filed by Erie Thames Powerlines Corporation  
(Erie Thames)**

Question 1

Reference: October 2002 Application, page 5

Preamble: "Erie Thames currently provides electricity distribution services to urban area of Port Stanley contiguous to the lands in question"

- a) Is Hydro One's existing service area also contiguous to the lands in question?

Question 2

Reference: October 2002 Application, pages 5 and 11

Preamble: In the immediate short-term the licence expansion will accommodate a new forty-five (45) lot residential subdivision know locally as Little Creek"

- a) Please indicate where in the "subject area" Little Creek Subdivision (Phase 1) is located.

### Question 3

Reference: October 2002 Application, page 6

Preamble: Construction and Service Requirements

- a) What does the “Estimated Project Cost” of \$150,000” represent. Is it the total cost of construction, connection and reinforcement required to provide service to Phase 1 or the capital contribution required from the developer?
  1. If the value represents the total project cost what is the capital contribution required from the developer?
  2. If the value represents the capital contribution required from the developer what is the total cost of the project?
- b) Does the reference that the “existing transformer will service entire expansion area” refer just to Phase 1 of the Little Creek Subdivision, the entire Little Creek Subdivision or the anticipated development on the entire 98.26 acres covered by the Application?
- c) Will the expenditure planned by Erie Thames in conjunction with the Phase 1 development include any new facilities or system reinforcements over and above that required just to meet the developer’s Phase 1 electricity requirements? If yes, what are the addition facilities and reinforcements included; what are their costs and are these cost included in the project cost and capital contribution calculations discussed in response to (a)?
- d) Will all of the costs of new distribution facilities (and any reinforcement of existing facilities) required to provide in service in the proposed expansion area beyond Little Creek Phase 1 be subject to the economic evaluation and customer capital contribution requirements as set out in section 3.2 of the Distribution System Code?

### Question 4

Reference: October 2002 Application, page 6

Preamble: “the developer received the offer with full knowledge of his options regarding this matter”

- a) When first contacted by the developer did Erie Thames advise the developer that the planned subdivision was located in Hydro Ones’ service area and that Hydro One should be contacted with respect to the provision of service?
- b) Following the initial contact from the developer, did Erie Thames contact Hydro One to advise them of the developer’s interest in providing service?
- c) To the best of Erie Thames knowledge has the developer:

- Contacted Hydro One regarding provision of service
- Received an offer to provide service from Hydro One?

#### Question 5

Reference: October 2002 Application, page 6

Preamble: “The proposed licence amendment will promote competition in the provision of electricity distribution services”

- a) Please explain the basis for Erie Thames’ position that one the statutory objectives of the OEB is to promote competition in the provision of electricity distribution services.

#### Question 6

Reference: October 2002 Application, pages 7 and 8

Preamble: “To protect the interests of consumers with respect to prices”

- a) Has Erie Thames undertaken any assessments of the costs associated with providing electrical service to the lands scheduled for development beyond Phase 1 of the Little Creek Subdivision? If yes, please provide the results of any such assessments.
- b) Can Erie Thames expand its system and provide electrical service to the lands scheduled for development beyond Phase 1 of the Little Creek Subdivision without requiring capital contributions from the new customers concerned. If the answer is yes, please provide the supporting analyses.
- c) If the answer to (b) is no, please explain how a simple comparison of rates addresses the overall interests of customers with respect to price as per the OEB objectives.

#### Question 7

Reference: October 2002 Application, page 8

Preamble: “In all examples, Erie Thames exceeds the regulator’s applicable service quality performance measures”

- a) Does Erie Thames have any evidence to suggest that Hydro One’s response times for providing service to customers in the proposed expansion area would not meet the OEB’s quality performance targets?
- b) Is it Erie Thames’ position that it will be able to provide higher service quality and service reliability to the specific customers in the proposed expansion area than Hydro One? If yes, please explain why

### Question 8

Reference: October 2002 Application, page 9

Preamble: “To promote economic efficiency in the generation, transmission and distribution of electricity”

- a) Are there any “existing customers” within the proposed expansion area who are currently receiving service from the incumbent distributor – Hydro One Networks?
- b) Does Hydro One Networks have existing distribution facilities within the proposed expansion area?
- c) If the answer to (a) is yes, does Erie Thames anticipate that there will be existing customers of Hydro One Networks that will lie along the distribution lines it would construct to serve the new developments?
- d) What would be Erie Thames position and response be if an existing Hydro One customer, lying along Erie Thames’ newly constructed distribution facilities, approached Erie Thames for connection and distribution service? If Erie Thames’ position is that it would consider connecting such customers please provide Erie Thames’ view as what financial compensation, if any, should be provided to the incumbent distributor and who should provide the compensation, i.e., Erie Thames or the customer. (Note: Please assume, in responding to this question, that the OEB finds that it has the jurisdiction to deal with service area amendments for existing customers)
- e) Would Erie Thames’ position and response as outlined in response to (d) be any different if an expansion of its system (as per Distribution System Code Section 3.2) was required to connect the Hydro One customer? If yes, please explain.
- f) If the answer to (b) is yes, please explain why construction of new lines by Erie Thames in the proposed expansion area will not result in a duplication of facilities and inefficiencies in the distribution of electricity.

### Question 9

Reference: October 2002 Application, page 9

Preamble: “To promote economic efficiency in the generation, transmission and distribution of electricity”

- a) Is it Erie Thames’ position that it can provide service to these new development areas more cost efficiently than Hydro One Networks? (Please note that the question is not with respect to rates but with respect to the costs that will be incurred in the construction, expansion and reinforcement of distribution facilities required to service the new developments in the proposed expansion area)

- b) If the answer to (b) is yes, please provide the analyses supporting this position.
- c) If the answer to (b) is no, please explain how the proposed service area amendment serves the OEB's objective with respect to economic efficiency.

#### Question 10

Reference: October 2002 Application, page 10

Preamble: "the proposed expansion will not strand distribution assets, as the proposed development in question is currently an unserved green field site"

- a) Please clarify whether the reference to the proposed development being an unserved green field site refers to:
  - o The Little Creek Subdivision - Phase 1,
  - o The entire Little Creek Subdivision, or
  - o The entire proposed expansion area (i.e. all 98.26 acres)
- b) Please clarify what Erie Thames would consider to be "stranded assets". In particular, would assets be considered stranded in the following circumstances:
  - o Connection assets associated for existing customers who, as a result of a service area amendment, elect to change distributors,
  - o Distribution networks assets formerly used to serve existing customers who, as a result of a service area amendment, elect to change distributors, and
  - o Distribution network assets that were constructed by the incumbent utility on the basis of planned development in its licensed service area but potentially underutilized as result of a service area amendment.
- c) Under what circumstances does Erie Thames consider it appropriate for distribution utilities to be compensated for stranded assets?

#### Question 11

Reference: October 2002 Application, page 9

Preamble: "Erie Thames maintains it has the load capacity to serve both the current (emphasis added) and future customers in the proposed expansion area"

- a) Please explain why Erie Thames currently has excess capacity on its system sufficient to meet not only the growth requirement of its existing service area but also to meet the existing and anticipated growth requirements in the proposed expansion area.
- b) Is it Erie Thames' position that Hydro One does not currently have the capability to meet the growth requirements in the proposed expansion area?

- c) Is Erie Thames seeking, in this Application a service area amendment that would permit it to serve existing Hydro One customers in the proposed expansion area?
- d) Does Erie Thames plan to proactively market its distribution services to existing Hydro One customers in the proposed expansion area?

#### Question 12

Reference: October 2002 Application, page 9

Preamble: “Provides for a greater integration of skilled service workforce and equipment assets in the immediate vicinity”

- a) Would not the same benefits accrue to Hydro One if it was to serve the new customers in the proposed expansion area? If the answer is no, explain why.
- b) Would not the loss of existing customers in the proposed expansion area impact on Hydro One negatively in this regard?

#### Question 13

Reference: September 22, 2002 Application, page 9

Preamble: “Approval of the Application facilitates financial viability because it would avoid disruption of Erie Thames revenues”

- a) Please explain how the approval avoids disruption of Erie Thames revenues when none of the customers (either existing or new) are currently customers of the utility.
- b) Isn't approval of the application and the any resulting loss of customers likely to disrupt the revenues of Hydro One – particularly with respect to existing customers?