

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 Hydro One Networks Inc.
(Hydro One)**

Question 1

Reference: February 14, 2003 Application re: EB-2003-0031, page 1, lines 12-15

- a) Is it Hydro One's position that when (potential) customers lying along an Ontario distributor's lines request an Offer to Connect, the distributor is obligated to make an offer even if the customer is not in the distributor's currently licensed service area? In responding, please distinguish between new customers and customers already receiving service from an incumbent utility. If necessary for purposes of the response, assume that the OEB has the jurisdiction to deal with service area amendments for existing customers.

Question 2

Reference: February 14, 2003 Application re: EB-2003-0031, page 1, lines 17-19; page 4, lines 24-28 and Tab F

- a) Is Hydro One applying for an overlapping service area with Veridian Connections or to have the two customers transferred from Veridian Connections' to Hydro One's licensed service area?
- b) Has Veridian Connections made any representations to Hydro One that it (or its customers) will be disadvantaged in any way by the proposed service area amendment? If yes, please provide the details.

Question 3

Reference: February 14, 2003 Application re: EB-2003-0031, page 2, lines 11-20

- a) Please outline Hydro One's views as to the criteria the OEB should use in reviewing and approving requests for service area amendments such as applied for by Hydro One.
- b) Is the submission that the licence area amendment "promotes efficiency in the ... distribution of electricity" contingent solely upon the fact that the customers have already been connected by Hydro One or, in Hydro One's view, was connection by Hydro One a more cost-effective way of serving the two customers than service by Veridian Connections? If the latter, please provide any evidence or information Hydro One has to support this claim.

Question 4

Reference: February 28, 2003 Response to Centre Wellington's Application for Distribution Service Area Amendment, page 1, lines 28-29; page 4, lines 26-27 and page 12, lines 17-19.

- a) Please explain more fully why it is Hydro One's view that service area amendments should be limited to those involving specific (identifiable) customers' connections? In particular, what information is only available when considering a specific customer connection that Hydro One considers to be critical in the OEB's determination as to whether or not a service area amendment should be granted?

Question 5

Reference: February 28, 2003 Response to Centre Wellington's Application for Distribution Service Area Amendment, page 2, lines 24-26 and page 3, lines 5-7

- a) Please explain how the impacts of these factors (i.e., regional impacts on load balancing, efficient use of available capacity, and loss minimization) could be determined and incorporated into the consideration of applications for service area amendments.

Question 6

Reference: February 28, 2003 Response to Centre Wellington's Application for Distribution Service Area Amendment, page 4, lines 8-10 and lines 14-16

- a) What in Hydro One's view should be the determining factors for service area amendments that should be considered by the OEB in the near term – i.e., prior to the completion of updated cost of service analyses?
- b) How would these factors change and, in Hydro One's view, what role should rates play in the decision, after rates have been realigned to reflected updated cost of service analyses?
- c) Even after individual utilities's cost of service results have been updated, rates will continue to be pooled by customer class and the costs to serve individual customers will vary from the class average. How should OEB address Hydro One's concerns in this regard over the longer term?

Question 7

Reference: February 28, 2003 Response to Centre Wellington's Application for Distribution Service Area Amendment, page 6, lines 10-14

- a) Are overlapping service areas and customer choice inappropriate, if the costs quoted to the customer address the issue of the incumbent utility's stranded assets?
- b) If the answer to (a) is no – please explain why not.
- c) If the answer to (a) is yes – please outline Hydro One's view as to how compensation for stranded assets should be determined.

Question 8

Reference: February 28, 2003 Response to Centre Wellington's Application for Distribution Service Area Amendment, page 7, lines 28-30

- a) Please explain why, if Hydro One is the least cost supplier for new customers in a proposed expansion area, customers would not select Hydro One as their electricity distributor when given a choice.
- b) Are there potentially parts of Hydro One's currently licensed service area where another distributor would be the least cost supplier for new customers? If so, is this sufficient to warrant a service area amendment or are there other factors that would also need to be considered by the OEB?

Question 9

Reference: February 28, 2003 Response to Centre Wellington's Application for Distribution Service Area Amendment, page 13, lines 1-4

- a) Given the concerns Hydro One expressed elsewhere in the response regarding the underutilization of existing assets (e.g. page 3, lines 15-17), what would be the types of circumstances under which Hydro One would view that connection of new customers in its existing service area by another distributor would not lead to stranded assets?
- b) What are all of the "externalities" that need to be addressed in licence amendment applications and how would Hydro One propose they be evaluated and considered by the Board?