

## **Written Submissions of the Power Workers' Union**

### **Statement of Position**

1. The Power Workers' Union ("PWU") adopts the submissions of Hydro One Networks Inc. ("Networks"). The License amendment should be denied.

### **No Basis for Expedited Process**

2. It is clear that the Applicant has been planning this Application for a very long time. A consultant was engaged in August, 2001 to assist with the OEB Application process, and a precursor to this Application was commenced in January, 2002, but withdrawn (*Transcript*, 895-901). It was not until October, 2002, some 14 months after the Application was first envisaged, that this Application was commenced. If connection requirements have become urgent in the interim, it is an urgency largely of the Applicant's own making. The PWU respectfully submits that for this reason alone, the Applicant should not be entitled to the relief it seeks on an expedited basis.

### **Interim Solution**

3. In the event that the Board finds that there are critical in service connection requirements that require a decision at the present time, the Board should favour Networks' interim solution.

4. The PWU submits that this Board should show a strong preference for an interim solution to meet any critical in service connection requirements, that preserves the positions of the parties as far as possible pending the outcome of the combined proceedings. This Application in particular raises many of the larger policy issues that the Board will determine in the context of the combined proceedings.

5. This Board does not currently have before it the full range of submissions and considerations that may apply to the larger issues, from the full range of stakeholders and interested parties. For this reason, if an interim solution is feasible, it should be preferred.

6. Networks has proposed both an immediate 1 MW solution, and an interim 10 MW solution. The Applicant has no equivalent to Networks' 1 MW proposal, and as between the Applicants and Networks' 10 MW proposals, Networks' proposal is superior. Networks' interim 10 MW proposal would have a cost of \$360,000 (significantly lower than the Applicant's quote for a single feeder) and could form part of the permanent solution, whichever utility prevailed in the combined proceeding. This proposal would not result in stranded assets and would not burden either utility or the customer.

### **Permanent Supply**

7. In the event that this Board finds it necessary to make a final determination of the Application at this point, the PWU submits that the license amendment should be denied.

8. The Applicant puts forward the following considerations in support of its Application:

- (a) A comparison of rates;
- (b) A comparison of capital costs;
- (c) Ability to service the Bloomfield Industrial Park;
- (d) Technical and reliability considerations; and
- (e) Customer choice.

9. With respect to rates, the PWU respectfully submits that consideration of these issues inevitably requires the Board to consider the larger policy issues that are best left to the combined proceeding. The PWU notes that the Board declined to consider these issues in its ruling in *Embrun Hydro* on May 16, 2003. The PWU further notes that it is a matter of some dispute between the Applicant and Networks as to how exactly rates will apply, and whose rates will be lower for which customers in the long run.

10. With respect to the capital costs of connection, the PWU notes that ultimately, Networks has quoted a lower total cost for its dual feeder proposal than the cost quoted by the Applicant.

11. As to the ability to service the Bloomfield Industrial Park, The PWU submits that the Applicant demonstrated no advantage over Networks. Networks has an operating centre in close proximity to the park. Further, Networks is a province-wide operation with very significant resources at its disposal to meet the needs of its customers, particularly in major emergencies.

12. With respect to technical and reliability issues, the PWU submits that Networks' proposal is technically superior. Its dual feeders would not be located on the same pole lines, and thus would be inherently less vulnerable to outages. Again, the PWU respectfully submits that the Applicant has not demonstrated any advantages in this regard. The PWU notes that the Dillon report found no significant differences in reliability between the two utilities: (Submissions of Municipality dated February 20, 2003, Tab 3, p. 2).

13. With respect to "customer choice", the PWU submits that this consideration again raises all of the larger policy issues that are better left to the combined proceeding. Again, this was the approach that this Board took in the *Embrun Hydro* Application.

### Information Before the Board

14. The PWU notes that there was evolving information before the Board with respect to the Municipality's needs, as well as the manner in which both utilities proposed to respond to those needs. The information flow from the Municipality appeared to heavily favour the Applicant over Networks.

15. The Municipality and the Applicant, a municipal utility, are obviously in a very close relationship, although they are legally distinct entities. Further, the evidence was that the Municipality relied upon the Applicant to coordinate discussions with Networks (*Transcript*, 346). It also emerged in the evidence that the Applicant has been planning this Application since 2001.

16. Networks is the incumbent distributor for the industrial park. However close the relationship may be between the Municipality and the Applicant, the PWU submits that the Municipality is under an obligation to bring its evolving needs to the attention of the incumbent distributor, so that the parties may come to the Board with their rival proposals at an equally developed state. In *Embrun Hydro*, this Board was critical of the developer whose subdivision was in issue, for not advancing his discussions as far with Networks as with Embrun Hydro. The PWU submits that the same logic should apply here.

17. The PWU notes that the Applicant and Municipality criticize Networks for its responses to what appears to have been a very limited flow of information from the Municipality. With respect, this criticism is misplaced. Since Networks is the incumbent distributor, the Municipality should arguably have gone to Networks first and, at the very least, the Municipality and/or Applicant should have ensured that discussions with both utilities were equally advanced before this Application was brought.

**Conclusion**

18. For all of these reasons, the PWU respectfully submits that the Application should be denied.

All of which is respectfully submitted.

Date: May 27, 2003

---

Andrew K. Lokan

Paliare Roland Rosenberg Rothstein LLP  
Barristers & Solicitors  
Suite 501, 250 University Avenue  
Toronto, ON M5H 3E5

ph.: (416) 646-4324  
fax: (416) 646-4323

Solicitors for the Power Workers' Union