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BY EMAIL

November 4, 2016

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: OEB Staff Interrogatories
E.L.K. Energy Inc.
Application for Service Area Amendment
OEB File No: EB-2016-0155**

In accordance with Procedural Order No. 2, please find enclosed OEB staff interrogatories in the above mentioned proceeding.

Yours truly,

Original signed by

Irina Kuznetsova
Case Manager

Attachment

OEB Staff Interrogatories

**On Updated Evidence Filed by E.L.K. Energy
Inc. (ELK) on October 6, 2016**

**Application for Service Area
Amendment**

E.L.K. Energy Inc.

EB-2016-0155

November 4, 2016

1. Reference: Section 1 and Offer to Connect dated October 3, 2016

Multiple amendments to the customer's connection requirements resulted in the issuance of a new Offer to Connect dated October 3, 2016. In this regard, provide the following:

- i. Itemized comparison of the original cost to connect (\$83,795.80) and the latest cost to connect (\$8,702.67) included in the Offer to Connect dated October 3, 2016. Identify items that were removed and explain why they are no longer needed.
- ii. Detailed diagram identifying location of all existing, relocated and new assets that ELK is planning to use to connect the customer. On the diagram identify who is responsible to put the assets in place (i.e. ELK or the customer), and identify the ongoing ownership of the assets.
- iii. Details of the costs of all new assets and relocation costs of the existing assets required to connect the customer.
- iv. Confirmation as to whether or not the ownership of the transformer supplied by the customer will be transferred to ELK. If transferred to ELK, identify the transformer transfer price and associated expenses, OM&A, etc., and include all these costs in the economic evaluation. If not transferred to ELK, confirm that the customer will be solely responsible for ongoing maintenance of these assets.
- v. Updated economic evaluation factoring in the total capital costs of the project and all incremental expenses.

2. Reference: Section 3

- a) In section 3, ELK states that "if ELK ***had not moved the pole as requested by the developer*** and instead utilized the existing pole to

service Sellick, ELK's connection cost for Sellick would remain at \$8,702.67". [emphasis added]

Considering that the developer in fact had requested the pole relocation, whether ELK chooses to charge the customer for the relocation cost or not, the pole relocation cost must be included in the total connection cost for the purposes of assessing economic efficiency of the competing proposals. Considering that the cost comparison table filed in response to OEB staff IR #9 is no longer accurate,

- i. Provide a detailed comparison (side by side) of **all** itemized costs, non-contestable and contestable, to connect the customer by each distributor. Identify any additional (e.g. pole relocation) and civic work and include it in the cost comparison.

b) ELK states that it took into account all of the incremental Hydro One ST charges and provided the details of its analysis in Exhibit 3. Hydro One estimates additional ST charges for ELK as Hydro One's ST customer to range from \$2,595 to \$10,380 per month based on the percentage of additional peak load from Sellick during ELK's peak, but in ELK's analysis, only a small fraction of these incremental costs are accounted for.

- i. Explain in detail how the remaining incremental cost ranging from approximately \$2,588 to \$10,350 per month will be recovered by ELK.