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Director – Major Projects and Partnerships
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BY COURIER

November 4, 2016

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
Suite 2700
2300 Yonge Street
Toronto, ON
M4P 1E4

Dear Ms. Walli:

EB-2016-0155 – E.L.K. Energy Inc. Service Area Amendment Application – Hydro One Networks Inc. Interrogatory Questions

In accordance with Procedural Order 2, please find attached Hydro One Networks Inc.'s interrogatory questions regarding the October 6, 2016 revised E.L.K. Energy Inc. evidence in this proceeding.

An electronic copy of this cover letter and the attached interrogatory questions has been filed through the Ontario Energy Board's Regulatory Electronic Submission System (RESS).

Sincerely,

ORIGINAL SIGNED BY JOANNE RICHARDSON

Joanne Richardson

Attach

c/ E.L.K. Energy Inc.

1 **Hydro One Networks Inc. Interrogatory Questions for E.L.K**

2
3 **Topic:** Economic Efficiency - Recovery of ST Charges at Kingsville TS

4
5 **HONI - 1**

6 **Reference:**

- 7 1. Exhibit 6 of ELK Response to Board Staff Interrogatories, September 8, 2016
- 8 2. The sensitivity analysis provided by Hydro One estimates that ELK's costs as an ST
- 9 customer will range anywhere between \$31,000 and approximately \$125,000 annually. –
- 10 Hydro One Intervenor Evidence, Att. 1-4: Scenario Analysis of Annual Incremental ELK ST
- 11 Charges at Kingsville TS
- 12 3. "To assist the Board, E.L.K. has updated its bill comparison after incorporating the
- 13 incremental sub transmission charges that were provided in the Hydro One evidence. E.L.K.
- 14 utilized its cost allocation and rate design models from its last Cost of Service to give an
- 15 accurate reflection of the impact of Hydro One's incremental charges. E.L.K. specifically
- 16 took into account all of the incremental ST charges. Exhibit 3 provides the details of this
- 17 analysis for each of the 4 loading scenarios provided by Hydro One. Notably, the monthly
- 18 savings to be received by Sellick[s] continues to range between \$873.66 and \$849.43
- 19 (dependent on the loading scenario assumed)". - ELK Revised Evidence, Paragraph 3, Issued
- 20 October 6, 2016
- 21 4. Exhibit 3 of ELK Revised Evidence, Issued October 6, 2016

22
23 **Interrogatory:**

- 24 a) In contrast to ELK's original submission provided in Exhibit 6 of ELK's response to Board
- 25 staff interrogatories (Reference 1), please confirm that, after taking into account Hydro One's
- 26 expected charges to E.L.K. at Kingsville TS (Reference 2), E.L.K's revised evidence
- 27 (Reference 3) anticipates recovering approximately an additional \$120 to \$420 annually from
- 28 Sellick.
- 29 b) Please explain how ELK expects to pay the \$31,000-\$125,000 incremental charge if ELK
- 30 expects to collect only a maximum of \$420 annually from the Customer. Will all other ELK
- 31 ratepayers pay the difference? Please explain.
- 32 c) With respect to Reference 3, please provide the results of the cost allocation and rate design
- 33 run for all of E.L.K's rate classes?
- 34

1 **Topic:** Economic Efficiency -Pole Relocation Costs

2

3 **HONI - 2**

4 **Reference:**

- 5 1. "The pole re-locate was not done in response to or in direct connection with the Sellick
6 connection request. On October 4, 2016, E.L.K. issued a revised offer to connect to Sellick to
7 reflect this correction". – ELK Revised Evidence, Paragraph 1, Issued October 6, 2016
- 8 2. "The demarcation point also moved from the secondary at the pad mount transformer for the
9 0.65 MW peak demand to the high voltage connection on E.L.K.'s existing dead end pole
10 currently sitting within the area subject of the SAA application". – ELK Revised Evidence,
11 Paragraph 1, Issued October 6, 2016
- 12 3. The demarcation point would transition from the secondary at the pad mount transformer for
13 the 0.65 MW peak demand to the high voltage connection on E.L.K.'s existing dead end pole
14 currently sitting within the new road allowance of the area subject of the SAA application –
15 ELK Response to HONI Interrogatory 2e, Issued September 8, 2016.
- 16

17 **Interrogatory:**

- 18 a) Does ELK agree that the pole relocation, and the costs associated with it, indirectly impacts
19 ELK's proposed connection of the Customer? If not, please explain.
- 20 b) Does ELK agree that indirect costs need to be included in the Board's determination of the
21 economic efficiency test associated with service area amendments? If not, please explain.
- 22 c) Please confirm the dead-end pole discussed in reference 2 and 3 was relocated after filing
23 this Application.
- 24 d) Please provide a schematic diagram outlining the current proposed connection and how the
25 connection would have been completed absent the pole relocation further into Hydro One's
26 service territory.
- 27 e) If the pole relocation further into Hydro One's service territory had not been completed, how
28 would this have impacted the Customer connection (costs, equipment required, etc.)
29 proposed by ELK ?
- 30 f) If the pole relocation further into Hydro One's service territory had not been completed, how
31 would this have impacted the Developer?
- 32

33 **HONI - 3**

34 **Reference:**

- 35 1. ELK Revised Evidence, Paragraph 2, Issued October 6, 2016
- 36 2. As E.L.K.'s assets were existing in Hydro One's service territory E.L.K did not ask
37 permission of Hydro One to relocate the asset out of the newly constructed road of way –
38 ELK Response to HONI Interrogatory 4h, September 8, 2016

- 1 3. E.L.K met with the municipality to discuss the relocation of E.L.K's existing pole from the
2 newly constructed road to behind the curb and outside of the turn radius. It was agreed upon
3 that the pole would be relocated to the first street light location and would be used to support
4 the street light fixture. - ELK Response to HONI Interrogatory 4g, September 8, 2016
- 5 4. The location of any structures, equipment or facilities constructed or installed under
6 subsection (1) shall be agreed on by the transmitter or distributor and the owner of the street
7 or highway, and in case of disagreement shall be determined by the Board. – Section 41(9) of
8 the Electricity Act, 1998

9
10 **Interrogatory:**

- 11 a) Please provide the date the pole relocation work commenced and the date of completion.
- 12 b) Please provide the date of all meetings with the City related to this undertaking.
- 13 c) Please confirm whether a traffic study was completed for this road extension, specifically,
14 with respect to the suggested large-truck traffic.
- 15 d) Please confirm whether there was any widening of the road as a part of the Clark Street
16 extension.
- 17 e) In light of the road extension, please confirm whether ELK explored any alternative electrical
18 configurations instead of relying on the configurations that existed prior to the road
19 extension.
- 20 f) Please supply a detailed plan of the subdivision, showing complete electrical loads and a
21 detailed plan showing municipal road lighting requirements.
- 22 g) Given that the area in question is inside Hydro One's service territory and Hydro One never
23 agreed to any application by ELK to serve this portion of Hydro One's service territory, why
24 did ELK proceed with relocating and installing new assets before receiving permission from
25 the OEB to do so?
- 26 h) Given that Hydro One is the existing licenced distributor in this service area and was not
27 consulted on the location of the pole (Reference 2), please explain how the pole location
28 agreement between E.L.K. and the municipality is compliant with section 41(9) of the
29 *Electricity Act, 1998*.
- 30 i) Please confirm that Exhibit 2 of the revised evidence was provided as a Meeting Minute Log/
31 Action Items List of the various items discussed by either Hydro One and/or ELK, to which
32 both organizations may or may not necessarily agree.
- 33 j) Please provide any documents that were provided to Hydro One prior to, or at, the May 31,
34 2016, roadside meeting, that provided an accurate representation of where poles would be
35 relocated