







1 **Consumers Council of Canada (CCC) INTERROGATORY #4**

2  
3 **Interrogatory**

4  
5 With respect to the information package provided when did HON undertake the Bridge  
6 Year forecast in all areas (2014)? When were the 2015 and 2016 budgets developed?

7  
8 **Response**

9  
10 The bridge year was developed throughout 2013 as part of the the business planning  
11 process, then updated in May of 2014 to reflect 2013 actuals. The 2015 and 2016 budgets  
12 were developed under a similar timeline to ensure consistency across the plan.

1 **Consumers Council of Canada (CCC) INTERROGATORY #5**

2  
3 **Interrogatory**

4  
5 **Reference: (Ex. D1/T3/S2/p. 12)**

6  
7 The major driver for increases in the Station Re-investment budget is Air Blast Circuit  
8 Breaker Replacements. Has HON considered spreading these replacements over a longer  
9 period of time? If not, why not? What would be the implications of doing so?

10  
11 **Response**

12  
13 Air blast circuit breakers (ABCBs) are perennially the poorest performing circuit  
14 breakers in the Hydro One transmission system, have the highest operating costs, and are  
15 installed at critical stations throughout the province. Their unreliable performance  
16 impacts major generators out of Bruce A TS, Bruce B SS, Pickering A SS, Cherrywood  
17 TS, Beck 1 SS, Beck 2 SS, Lennox TS, as well as other key transmission network stations  
18 like Richview TS and Burlington TS.

19  
20 Replacement plans for the remaining ABCBs are already spread out over a long period of  
21 time, with the first planned replacements happening approximately 10 years ago and  
22 replacements will continue to be an area of focus for Sustaining Capital for  
23 approximately another 10 years.

24  
25 Expenditures over the 2011 to 2016 period have been focused on addressing the breakers  
26 that have been identified as highest risk due to condition, performance, technical  
27 obsolescence and customer / system impact.

28  
29 Completion of the projects will mitigate existing performance risk, which otherwise  
30 would continue to have impacts on generators (most commonly nuclear and  
31 hydroelectric) and the transmission system as a whole. Replacement of the ABCBs with  
32 modern SF6 circuit breakers also has the benefit of reduced maintenance costs.

1 **Consumers Council of Canada (CCC) INTERROGATORY #6**

2  
3 **Interrogatory**

4  
5 **Reference: Ex. A/T15/S2**

6  
7 The OPA and the LDCs are currently developing a new CDM framework for the period  
8 2015-2020. How does HON intend to incorporate those new targets into its load forecast  
9 for 2015 and 2016?

10  
11 **Response**

12  
13 The peak savings associated with the new targets have already been incorporated in the  
14 load forecast as presented Exhibit A, Tab 15, Schedule 2, page 20, Table 3. Please see  
15 the response to Exhibit I-04 EP-09 for more details.

1                                    **Consumers Council of Canada (CCC) INTERROGATORY #7**

2  
3                                    **Interrogatory**

4  
5                                    **Reference: Ex. A/T18/S1/pp. 2-4**

6  
7                                    Please explain, in detail, how the total annual savings related to transmission for the years  
8                                    2011-2016 were derived.

9  
10                                   **Response**

11  
12                                   The full list of initiatives related to transmission can be found in Exhibit I, Tab 10,  
13                                   Schedule 4.

1                                    **Consumers Council of Canada (CCC) INTERROGATORY #8**

2  
3                                    **Interrogatory**

4  
5                                    **Reference: Ex. C1/T2/S2/p. 3**

6  
7                                    With respect to Sustaining OM&A Please provide the Board approved amounts for 2011,  
8                                    2012 and 2013.

9  
10                                  **Response**

11  
12                                  Please see table below for the Sustaining OM&A Board Approved amounts for 2011  
13                                  through 2013.

14

Description	Board Approved (\$M)		
	2011	2012	2013
Stations	166.0	171.2	168.0
Lines	50.8	54.6	55.1
Engineering and Environmental Support	10.9	11.7	12.6
<b>Total</b>	<b>227.7</b>	<b>237.5</b>	<b>235.7</b>





**Consumers Council of Canada (CCC) INTERROGATORY #10**

**Interrogatory**

**Reference: Ex. C1/T3/S3/p. 20**

Please provide a detailed breakdown of the Regulatory Affairs Function (Table 8). Please include Board-approved costs. Also, please break out the cost specifically related to previous transmission proceedings and indicate what has been assumed for those proceedings in 2015 and 2016.

**Response**

The table below provides the breakdown of total Networks' Regulatory costs on a historic and future basis.

Description	Approved	Actual	Actual	Actual	Forecast	Test	
	2011	2011	2012	2013	2014	2015	2016
Compliance		1.4	1.2	1.2	1.7	1.4	1.4
Major Applications		0.7	0.9	0.6	1.5	1.8	2.5
Major Projects		1.8	1.4	1.5	0.7	0.7	0.7
VP / Pricing & Support		5.2	3.9	4.2	4.4	4.0	3.2
<b>Subtotal</b>		<b>9.1</b>	<b>7.4</b>	<b>7.5</b>	<b>8.3</b>	<b>7.9</b>	<b>7.8</b>
OEB/NEB Costs		11.0	13.2	13.1	15.8	13.5	14.5
<b>Total</b>	<b>20.7</b>	<b>20.1</b>	<b>20.6</b>	<b>20.6</b>	<b>24.1</b>	<b>21.5</b>	<b>22.4</b>

The last rate case for Transmission was filed in 2012 for 2013-2014 rates. The costs of the 2012 Transmission proceeding are included below along with the forecasted 2014 costs. Note that the 2012 proceeding was settled on virtually all issues which lowered the cost of the proceeding significantly. Moreover, the one issue that was not settled in 2012, the ETS rate, accounted for approximately 30%-40% of the eventual cost.

1

<b>Estimated Transmission Rate Proceeding Costs</b>		
<b>Categories</b>	<b>2012</b>	<b>2014</b>
Stakeholder consultation	0.02	0.06
Publication of Notices	0.06	0.05
Miscellaneous/Courier/Printing	0.001	0.04
OEB Variable Costs	0.05	0.08
Intervenors	0.65	0.50
Consultants	0.09	0.31
<b>TOTAL</b>	<b>0.87</b>	<b>1.04</b>

2

1 **Consumers Council of Canada (CCC) INTERROGATORY #11**

2  
3 **Interrogatory**

4  
5 **Reference: Ex. A/T15/S1/pp. 2-3**

6  
7 Please provide the most recent Global Insight Forecasts and Ontario CPI forecasts that  
8 are used to determine cost escalation levels. Please explain how they are applied to  
9 produce the OM&A forecasts.

10  
11 **Response**

12  
13 The Global Insight and Ontario CPI forecasts can be found in the response to  
14 interrogatory Exhibit I, Tab 3, Schedule 1.

15  
16 The Transmission Cost Escalations for Operations & Maintenance are used in  
17 conjunction with Hydro One planning tools to predict expenditure level changes for  
18 transmission materials and services.

19  
20 The CPI is also used in conjunction with Hydro One planning tools to forecast  
21 expenditure level changes for items such as fleet and sundry costs.

**Consumers Council of Canada (CCC) INTERROGATORY #12**

**Interrogatory**

**Reference: Ex. D1/T1/S1/p. 4**

Please provide a schedule in the same format as Table 3 – Board Approved vs actual rate base for the years 2009, 2010, 2011 and 2012.

**Response**

For 2009 and 2010 rate base information, please see the tables below. For 2011 and 2012 information, please see the response to LPMA’s interrogatory 16 at Exhibit I, Tab 3, Schedule 16.

**2009 Board Approved versus 2009 Rate Base**

(\$M)

Rate Base Component	2009 Actual	2009 Board Approved
Gross Plant	10,781.3	10,940.0
Accumulated Depreciation	(3,966.6)	(3,954.4)
<b>Net Utility Plant</b>	<b>6,814.7</b>	<b>6,985.6</b>
Cash Working Capital <sup>1</sup>	9.4	9.4
Materials & Supplies Inventory	11.7	36.7
<b>Total Rate Base</b>	<b>6,835.8</b>	<b>7,031.7</b>

<sup>1</sup> Hydro One Transmission does not calculate actual cash working capital, thus the 2009 approved amount was used for illustrative purposes.

**2010 Board Approved versus 2010 Rate Base**

(\$M)

Rate Base Component	2010 Actual	2010 Board Approved
Gross Plant	11,504.7	11,768.2
Accumulated Depreciation	(4,191.3)	(4,179.6)
<b>Net Utility Plant</b>	<b>7,313.4</b>	<b>7,588.6</b>
Cash Working Capital <sup>1</sup>	8.6	8.6
Materials & Supplies Inventory	12.5	38.7
<b>Total Rate Base</b>	<b>7,334.5</b>	<b>7,635.9</b>

<sup>1</sup> Hydro One Transmission does not calculate actual cash working capital, thus the 2010 approved amount was used for illustrative purposes.

1                                    **Consumers Council of Canada (CCC) INTERROGATORY #13**

2  
3                                    **Interrogatory**

4  
5                                    **Reference: Ex. D1/T1/S2/p. 1**

6  
7                                    Please recast Table 1 (In-Service Capital Additions 2013-2016) to include 2012 and  
8                                    2013.

9  
10                                   **Response**

11  
12                                   Please refer to Exhibit I, Tab 2, Schedule 7 (CME Interrogatory #7).  
13

1                                    **Consumers Council of Canada (CCC) INTERROGATORY #14**

2  
3                                    **Interrogatory**

4  
5                                    **Reference: Ex. D1/T1/S2/p. 2**

6  
7                                    With respect to the delay in the in-service additions actual vs Board approved for 2014 –  
8                                    what is the current status of those projects referred to in the evidence? Have those  
9                                    amounts (\$160 million) been incorporated into the forecasts for 2015 and 2016?

10  
11                                   **Response**

12  
13                                   Please see Hydro One's response to SEC's interrogatory 11 for the requested  
14                                   information. Yes, these amounts have been incorporated into the forecasts for 2015 and  
15                                   2016.





1 *Consumers Council of Canada (CCC) INTERROGATORY #16*

2  
3 *Interrogatory*

4  
5 **Reference: Ex. D1/T3/S1/p. 2**

6  
7 Please re-cast Table 1 to include Board approved amounts.

8  
9 *Response*

10  
11 Please see the response to CME's interrogatory 6 part a, at Exhibit I, Tab 2, Schedule 6,  
12 for the requested information.

1                                    **Consumers Council of Canada (CCC) INTERROGATORY #17**

2  
3                                    **Interrogatory**

4  
5                                    **Reference: Ex. E/T2/S1/p. 2**

6  
7                                    Please provide Board approved amounts for External Revenues for the years 2011-2014.

8  
9                                    **Response**

10  
11                                    **Board Approved Amounts**  
12                                    **External Revenues (\$ Millions)**

13

<b>\$M</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Secondary Land Use	12.6	12.5	13.2	13.2
Station Maintenance	7.0	7.0	8.1	8.1
Engineering & Project Delivery	11.0	6.0	3.0	3.0
Other External Revenues	3.2	3.2	7.3	12.3
<b>Totals</b>	<b>33.8</b>	<b>28.7</b>	<b>31.6</b>	<b>36.6</b>

