

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, Veridan 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.

**INTERROGATORIES OF HAMILTON HYDRO INC.,
HYDRO OTTAWA LIMITED, BRANTFORD POWER INC.,
MARKHAM HYDRO DISTRIBUTION INC., HYDRO VAUGHAN
DISTRIBUTION INC. TO ENWIN POWERLINES LTD, ERIE THAMES
POWERLINES CORP. AND ESSEX POWER CORPORATION
(HEREINAFTER REFERRED TO AS THE "SW APPLICANTS")
PURSUANT TO PROCEDURAL ORDER #4**

Interrogatory #1:

Reference: Supplemental Pre-Filed Evidence of the SW Applicants dated May 29, 2003, Page 7, Lines 10 - 18

Preamble:

The SW Applicants have submitted that "there ought not to be any difference in the treatment of amendment applications relating to either new or existing customers. To treat new and existing customers differently would be discriminatory and would ignore the measures the Board has already put in place with respect to embedded distributors. These measures, which include rate unbundling and the imposition of a regulated low-voltage charge for the use of Hydro One's facilities by embedded distributors, are the appropriate way to allow for competition while compensating the incumbent distributor where required."

Interrogatory:

Where an applicant distributor proposes to assume existing customers, and if the Ontario Energy Board determines that it has the jurisdiction to require the transfer of existing customers, how will the incumbent distributor recover any difference between the SW Applicants' contemplated charge for the use of the incumbent distributor's facilities and the revenues that would otherwise be recovered by the incumbent distributor through distribution rates imposed on the existing customers in accordance with its OEB-issued distribution rate order?

Interrogatory #2:

Reference: Supplemental Pre-Filed Evidence of the SW Applicants dated May 29, 2003, Page 13, Line 12

Preamble:

The SW Applicants propose a limited definition of "stranded assets", which would not include investment in assets indirectly employed in servicing the customer (such as the billing system, servicing vehicles, or headquarters buildings), or operations, maintenance or administration costs.

Interrogatory:

In limiting their definition of stranded assets, would the SW Applicants distinguish between (a) new customers that would select the applicant distributor over the incumbent distributor, and (b) existing customers that may choose to switch distributors, in respect of whom the incumbent distributor is already incurring some or all of the costs proposed to be excluded by the SW Applicants? If so, how, and if not, why not?

Interrogatory #3:

Reference: Supplemental Pre-Filed Evidence of the SW Applicants dated May 29, 2003, Page 16, Line 28; OEB Transcript of Proceedings in RP-2003-0044, Vol. 5, May 20, 2003, Paragraph 291

Preamble:

At page 16, Line 28 of the SW Applicants' Supplemental Pre-Filed Evidence, the SW Applicants submit that "Since one of the objectives of the Board is to "facilitate competition in ...the sale of electricity," the Board ought to advance market discipline, rather than central planning, as the driving force behind service area amendments."

At Paragraph 291 of Volume 5 of the Transcript of this proceeding, counsel for the SW Applicants stated,

"If I could deal just for a moment with the legislative intent. My understanding is that Hydro One has argued that because distribution, the word "distribution" is excluded from section 1(1) of the OEB Act, which talks about facilitating competition, that therefore distribution is, in fact, excluded from that, that the distribution sector is excluded from competition. However, that section specifically delineates generation and sale of electricity. It's our submission that that sale must include something other than the price of the commodity itself. So, in effect, the sale is the act of getting the electricity from the customer -- from the generator to the end-user which necessarily incorporates, or would include distribution and connection charges."

Interrogatory:

On what basis do the SW Applicants equate the "sale of electricity" referred to in Section 1 of the *Ontario Energy Board Act, 1998* with the distribution of electricity?