

**DEMANDE DE RENSEIGNEMENTS N° 1 D'OPTION CONSOMMATEURS
(OC) À HYDRO-QUÉBEC TRANSÉNERGIE (HQT)**

**DEMANDE RELATIVE À L'ÉTABLISSEMENT DES TARIFS DE TRANSPORT
D'ÉLECTRICITÉ POUR L'ANNÉE TARIFAIRE 2009**

R-3669-2008

1. Reference: i) HQT-10, Document 2, pages 6-7

Question:

1.1. Please provide a schedule setting out the derivation of the 2073 MW of long term point to point service for HQT for 2009. In doing so, please reconcile the 2073 MW with the various contract quantities discussed on page 7, lines 1-12.

- 2. References: i) HQD-12, Document 2, page 5, lines 16-20 and page 7, Table 1
ii) R-3549-2004, HQT-4, Document 3, page 25
iii) R-3549-2004, HQT-6, Document 7, Question #68 c)**

Preamble:

OC understands the principle underlying the determination of the maximum amount allowable for network upgrades as explained in references (ii) and (iii). What OC is seeking to understand is why and how the calculation set out in Table 1 of reference (i) and the resulting amount of \$636 / kW is consistent with this principle.

Questions:

- 2.1. With reference to Table 1, please explain how the annual values in each column are determined. In particular, which ones are “calculated” based the values in other columns versus which ones are inputs to the Table?
- 2.2. If not addressed in the preceding question, please explain how the “cout annuel” values are calculated for the years after 2009.

- 2.3. If the objective is to determine the capital cost amount that will be recovered through current transmission rates over a 20 year period, why isn't the total cost allowable based on the net present value of 20 years of transmission rate payments using the current rate (\$73.32 / kW) throughout the entire period (as opposed to a declining annual value)?

- 3. References:** i) **HQT-10, Document 5, page 8**
ii) **HQT-10, Document 5, page 23**

Preamble:

Assume there was a load customer in Quebec who was eligible for Point to Point service and who wished to contract with a generation station seeking connection with the HQT system. Assume also that upgrades at the load customer connection would be required to permit the delivery of the additional supply.

Questions:

- 3.1. Would the generator's connection costs paid for by the Transmitter (excluding the allowance for switchyards) be subject to the maximum amount of \$636/kW? If not, please explain how the amount to be paid for by the Transmitter would be determined.
- 3.2. Would the connection/upgrades costs associated with the load customer and paid for by the Transmitter be subject to a separate calculation and be based on the maximum amount of \$636/kW? If not, please explain how the amount to be paid for by the Transmitter would be determined.

- 4. References:** i) **HQT-10, Document 5, page 8**
ii) **HQT-10, Document 5, page 15**
iii) **HQT-10, Document 5, page 24**

Questions:

- 4.1. With respect to Table 1 (page 15), please indicate precisely how the MW additions in column (a) are determined. Please show the actual calculation for 2009.

- 4.2. With respect to Table 1 (page 15), please clarify the types of projects for which costs are included in column (c). For example, does it include the cost of connection for new generators that are network resources and well as connections/upgrades to supply native load? Alternatively, does it just include the cost of new upgrades/connections directly associate with delivery power to native load customers?
- 4.3. Please cross reference the 2009 investment dollars shown in Table 1 (page 5) with the investment projects set out in HQT-9, Document 1, pages 24-25.
- 4.4. Are connection and network upgrade costs associated with generation stations that are network resources (i.e., will supply native load) subject to a separate evaluation from that illustrated in Table 1 (page 15)? If so, please confirm that this evaluation uses \$636 /kW (of maximum capacity) to establish the “maximum amount”. If not, please explain.

5. Reference: i) HQT-10, Document 5, page 18, line 21 to page 19, line 3

Questions:

- 5.1. Are the connection and upgrade costs associated with generation connections that are network resources (i.e., generation used to meet native load) screened using the maximum amount (\$636/kW) on a station by station basis or on an overall total portfolio basis?
- 5.2. If on a portfolio basis, please explain how this is done and provide an illustrative example.

6. Reference: i) HQT-10, Document 5, page 20, lines 18-21 and page 21, lines 4-11

Preamble:

The text states that the proposed approach does not involve any additional risks for the Distributor.

Questions:

- 6.1. Please explain more fully why the approach does not create any additional risks for the Distributor.
- 6.2. Please explain why the customers of the Distributor should not be provided the same assurance regarding costs as generation customers connecting to the system.

7. Reference: i) HQT-11, Document 1, pages 6-7

Questions:

- 7.1. Please explain why the Touloustouc-type connections are considered a sub-function of customer connections when the costs are associated with generation station connections. Why aren't the costs considered a sub-function under the Connection of Generating Plants function?
- 7.2. Please confirm whether the Touloustouc-type connections sub-function contains just the costs of the connection facilities to the relevant generation stations or also whether it also includes the cost of any network upgrades triggered by the connection of these stations.
- 7.3. What was the total generating capacity associated with the Touloustouc-type connections? Please indicate the specific stations involved and their capacity.

8. References: i) HQT-11, Document 1, page 10, lines 9-19
ii) HQT-11, Document 2, page 20

Questions:

- 8.1. Please explain more fully why it is appropriate that the capacity and energy associated with the HQT-CRT, HQT-DER and HQT-HIGH reservation be excluded from the allocation factors for each of the four Network sub-functions.
- 8.2. In particular, why are these loads treated differently than other loads, when the same "policies" regarding capital contributions apply to both Point to Point and Native Load service customers per HQT-10, Document 5, pages 23-24.