

**Transmission Provider's Responses  
to Information Request #1 from  
Énergie Brookfield Marketing s.e.c.  
("EBM")**

Translation commissioned by  
Association québécoise des consommateurs industriels d'électricité (AQCIE)  
and  
Québec Forest Industry Council (QFIC)



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**INFORMATION REQUEST #1 FROM ÉNERGIE BROOKFIELD MARKETING SEC.  
("EBM") REGARDING THE TRANSMISSION PROVIDER'S APPLICATION TO AMEND THE  
TRANSMISSION NETWORK UPGRADES POLICY**

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- 1. References:** (i) HQT-1, Document 1, pp. 12-17  
(ii) R-3903-2014, Exhibit B-0034, HQT-12, Document 1, p. 30  
**Section 12A.2**

**Preamble:** (i)

***"Transmission Provider's Proposals***

*"Include all of the Distributor's projects in the annual aggregation of projects used to calculate the "annual aggregation (loads and resources)" contribution, i.e. add resource projects to the aggregation currently used for native load growth projects in order to limit the total capital costs borne by the Transmission Provider to the maximum allowance based on forecasted 20-year growth in satellite substations and customers connected directly to the transmission system.*

*"Carry forward positive balances from the annual aggregation of the Distributor's projects to cover its contribution in subsequent years, if applicable."*

(ii) *"Purchase of Point-to-Point Service or Repayment:*

*"(...)The amount payable by the customer is reduced by any cumulative positive difference (B-A) from prior years. If such prior-HYDRO-QUÉBEC Open Access Transmission Tariff year cumulative difference (B-A) is larger than the amount payable, the net amount payable is zero and the balance of the cumulative difference (B-A) is carried over for application in subsequent years."*

**Requests:**

- 1.1 Please confirm that the approach proposed for the Distributor allowing for the carrying forward of positive balances to cover a contribution during a subsequent year is also applicable to point-to-point transmission service customers. If it is not, please explain why.

**R1.1**

**The Transmission Provider's proposed approach applies to the Distributor only. The approach is adapted to the way in which native load growth occurs and to the upgrades done to meet that growth. Essentially, native load growth is diffuse and continuous and the Transmission Provider responds to it with ad hoc upgrades, at varying levels depending on the stage of the system's development.**

**Accordingly, low growth can result in a major upgrade, where the growth occurs in an area in which the system is about to become or is already**

over-loaded. Subsequently, however, greater growth could be absorbed at a lower or even zero cost. The Régie expressed an interest in the development of an approach compatible with this situation.

The Transmission Provider would also like to note again the specific nature of the native load transmission service, as described in its evidence,<sup>1</sup> in particular the lack of a transmission service agreement and the fact that the Distributor satisfies its annual revenue requirement under Attachment H of the *Hydro-Québec Open Access Transmission Tariff (OATT)*.

- 1.2 Please confirm that the corollary for point-to-point service with respect to part 2 of the above proposal is set out in section 12A.2 of the OATT. If it is not, please explain on what basis the corollary applies to point-to-point transmission service.

**R1.2**

Section 12A.2 ii) of the OATT applies only in a case where a generation station owner who requests connection of its generating station agrees to cover the cost of network upgrades on a take or pay basis. In this case, the generating station owner can carry balances forward.

However, if the generation station owner wants to cover the cost of the network upgrades under long-term agreements (section 12A.2 ii) and Attachment J of the OATT, the Transmission Provider is proposing that, on an annual basis, the revenues from all agreements can cover all of the commitments made by this customer, with no carry forward.

This difference in treatment for point-to-point and native load customers in terms of this particular aspect of the upgrades policy is equitable, because it results from differences between these two customer categories. The upgrades intended to meet requests from point-to-point customers are done within a context and framework that are different from the context and framework of upgrades for native load customers, as shown in the answer to question 1.1 above.

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<sup>1</sup> Exhibit HQT-1, Document 1, page 11, lines 1-10.