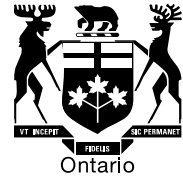


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BY EMAIL

December 4, 2008

Mr. Glen MacDonald
Senior Advisor – Regulatory Affairs
Hydro One Networks Inc.
8th Floor, South Tower
Toronto ON M5G 2P5

Dear Mr. MacDonald:

Re: Hydro One Networks Inc. – 2009 and 2010 Electricity Transmission Rates Application - Board File Number EB-2008-0272

Please find a revised Board staff interrogatory #30. The changes result from editorial error and for technical reasons. The technical reasons include that Board staff is satisfied that the effect of asset condition and system reliability on Capital Expenditure are sufficiently examined, in similar aspects, in interrogatories 8, 10(d), 20, 22, 25 and 67 through 70. The aspects of the question in regard to Development and Operations OM&A are removed due to materiality considerations.

Yours truly,

Original signed by

John Pickernell
Assistant Board Secretary

C: Intervenors and Observers

Board staff Question 30 (revised):

Reference:

- a) ExhC1/Tab2/Sched1/ p2/ sec2/lines22
- b) ExhC1/Tab2/Sched 2/p3/line6

Preamble:

There are numerous instances in the section on Sustainment OM&A where reliability and/or asset condition is referred to as a driver for investment. For example, reference a) refers to the Sustaining OM&A budget representing investments intended to ensure that "... the overall reliability of the system is maintained." Reference b) refers to reduced reliability of supply to customers as a factor in Sustaining OM&A expenditure in the area of Power Equipment.

Questions:

For the sustainment category of **OM&A** expenditure please provide information on how **system reliability and asset condition** metrics are factored into the OM&A investment decision. The information should be provided to the level of detail so that particular instances of inadequate reliability performance or asset condition can be related to specific investments.