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August 10, 2009

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
27th floor
Toronto ON M4P 1E4

Dear Ms Walli,

Hydro One Networks Inc. ("Hydro One")
2010 and 2011 Distribution Revenue Requirement and Rate Application
Board File No.: EB-2009-0096
Our File No.: 339583-000044

We are writing this letter to seek intervenor status and cost award eligibility in this proceeding on behalf of Canadian Manufacturers & Exporters ("CME").

Request for Intervenor Status

The reasons why CME should be granted intervenor status in this proceeding include the following:

- (i) CME is Canada's leading business network. Its members represent 75% of manufactured output in the Province of Ontario, and 90% of all exports.
- (ii) Manufacturing is important to the Province of Ontario. It is the single largest sector of the economy (17.5% of Gross Domestic Product ("GDP") or \$300B) employing, directly, over 1M people in the Province.
- (iii) Electricity is the primary source of energy for the manufacturing sector. As a result, the members of CME are vitally concerned with all matters pertaining to the supply and price of electricity.
- (iv) Ontario-based CME members seek an electricity system for Ontario which is one of the most cost-effective and economically sustainable systems in North America.

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- (v) CME's primary concern, in this proceeding, is the level of the rate increases Hydro One Networks Inc. ("Hydro One") seeks to its distribution rates, effective January 1, 2010, and January 1, 2011, and the impact that such rate changes will have on the energy costs of its members.
- (vi) CME wishes to actively participate in these proceedings to assure that any rate changes which the Board approves are just and reasonable. Just and reasonable rates are a necessary ingredient of an electricity system that will support a growing and prosperous manufacturing sector.

Request for Cost Award Eligibility

CME seeks a determination that it is eligible for a Cost Award on the following grounds:

- (i) CME is a not-for-profit organization funded by membership fees and revenues from the services it renders to Federal and Provincial Governments and Agencies to foster the development of national and international markets for its members and to break down trade barriers.
- (ii) About 85% of CME's 1,200 Ontario-based member companies are Small to Medium sized business Enterprises ("SMEs") with 500 employees or less. The views of these businesses should be considered in these proceedings.
- (iii) CME's ability to actively participate in this proceeding is dependent upon a determination that it is eligible for a Cost Award. In many prior proceedings, the Board has determined that CME is eligible for a Cost Award.

Written or Oral Hearing

CME prefers an oral hearing because it is the most efficient way for the Board to resolve the issues which the Application raises. An oral "face-to-face" process that includes Technical and Settlement Conferences has advantages over a completely written hearing process. In a complex case such as this, the advantages of an oral process include the following:

- (i) It accommodates to and fro discussions between utility representatives and those parties seeking further information and, thereby, tends to provide a more thorough understanding of the information the utility provides to support its application;
- (ii) It permits intervenor-specific concerns to be dealt with promptly and, if necessary, in "one off" discussions between utility representatives and a particular intervenor; and
- (iii) An oral process allows the utility and intervenors an opportunity to gain a better understanding of their respective positions which, in turn, increases the probability of settling matters in dispute, thereby, relieving the Board from having to consider written arguments with respect to settleable issues.

CME Contacts

If the relief requested in this letter is granted, then CME requests that further communications with respect to this matter be sent to the following:

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Please contact the undersigned if the Board requires any further information in connection with these requests.

Yours very truly,



Peter C.P. Thompson, Q.C.

PCT\slc

c. Hydro One Networks Inc.
D.H. Rogers (for Hydro One)
Paul Clipsham (CME)

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