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Susan Frank

Vice President and Chief Regulatory Officer
Regulatory Affairs



BY COURIER

October 26, 2009

Ms. Kirsten Walli
Secretary
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON.
M4P 1E4

Dear Ms. Walli:

EB-2009-0096 – Hydro One Networks' 2010-2011 Distribution Rate Application – Hydro One Proposal on Settlement Conference Schedule and Oral Hearing Schedule

I am writing to propose an alternative schedule to that outlined in the Board's Procedural Order #1 for both the Settlement Conference and the Oral hearing phases in this proceeding.

Procedural Order #1 indicates that if there is Intervenor evidence filed then the Settlement process will take place from November 19th to December 11 with the Oral hearing starting on December 21st. We understand that there will be Intervenor evidence filed in this proceeding. The process for this phase of the proceeding is scheduled to run from October 29th to November 16th. However given that only one Intervenor is filing evidence, and that evidence relates to the narrow topic of cost allocation and rate design (and associated Board direction), Hydro One believes this process could be shortened such that Interrogatories are sent to the Intervenor by November 5th and responses are filed by November 12th.

Hydro One is of the view that the Settlement process can also be expedited. Hydro One is prepared to discuss the issues list and attempt to agree with the Intervenor Community on which issues should be removed, dealt with in writing or dealt with at the Oral Hearing. We do not feel it will take 3 ½ weeks to accomplish this. Hydro One proposes that the Settlement process should only take approximately 2 days for discussions and agreement between Hydro One and the Intervenor community with a submission to the Board on any agreements for their consideration shortly thereafter. Assuming the Settlement Conference is held on November 17th and 18th we would foresee a joint communication to the Board Panel no later than November 23rd.

Assuming this approach to Settlement is acceptable Hydro One would propose that the Oral Hearing be started on Monday December 7th. This would allow for 8 hearing days to Friday December the 18th

(assuming Wednesday off) and still have Monday and Tuesday December 21st and 22nd as contingency to finish the Oral Hearing if necessary.

Hydro One would prefer that the Oral stage of this proceeding not be broken up by the holiday season. A break in continuity disrupts the momentum and flow of the oral testimony and makes preparation by the witnesses difficult. If the Oral Hearing cannot be started early enough to allow completion by Dec 22nd Hydro One would recommend an early January 2010 start to the Oral hearing.

At this time Hydro One also confirms that it will not be asking for interim rates and therefore requests that the hearing process proceed on December 7th, in order to minimize the time beyond the requested January 1st, 2010 implementation date when new rates can be established.

Sincerely,

ORIGINAL SIGNED BY SUSAN FRANK

Susan Frank

Attach.

c. EB-2009-0096 Intervenors