

October 27, 2009

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Kirsten Walli
Board Secretary
Ontario Energy Board
Suite 2701
2300 Yonge Street
Toronto, ON
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Dear Ms. Walli:

**Re: EB-2008-0272 Hydro One Networks Inc./
2009/2010 Transmission Rates - Supplementary Evidence**

We are Counsel to the Consumer Council of Canada ("Council"). These are the submissions of the Council regarding the supplementary evidence filed by Hydro One Networks ("HON") on September 4, 2009 .

In its Decision regarding HON's 2009/2010 transmission rates application the Board did not approve four specific capital projects on the basis that HON had not filed sufficient evidence to support the projects. The Board kept the proceeding open and provided HON with an opportunity to provide additional evidence regarding the projects for further consideration. The Board indicated specifically, that a letter of recommendation from the Ontario Power Authority was not sufficient and pointed to the *Filing Requirements for Transmission and Distribution Applications* as a guide to what is expected.

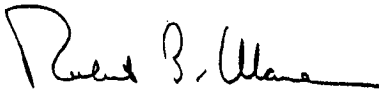
In its supplementary filing HON indicated that two of the four projects (D9 and D10) had been delayed and therefore HON was not seeking inclusion of these two projects in 2010 rates. (Ex.A/T2/S2/p. 2) With respect to the other projects, D7 and D8, HON takes the position that these projects are "Non-Discretionary" and therefore do not require the type of economic analysis it has provided for other "Discretionary" projects. (Ex. I/T1/S92)

The Council has reviewed the submissions of both Board Staff and the Vulnerable Energy Consumers Coalition ("VECC"). They both conclude that HON has not provided the type of analysis required by the Board to approve these projects. The Council agrees with the analyses provided by Board Staff and VECC. From the Council's perspective there should not be an adjustment to 2010 rates to reflect the ratebase impacts of these projects.

HON will continue to make significant capital expenditures over the next decade. From the Council's perspective, in order to ensure that the rate impacts are minimized to the extent possible, the Board should continue to require rigorous cost- benefit analyses for all future spending. HON and others cannot simply rely on recommendations by the OPA or the Ministry of Energy and Infrastructure to move forward with capital projects. The Board has an obligation to ensure that the projects are justified and that only prudent costs are recovered in rates.

Yours very truly,

WeirFoulds LLP



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