

January 7, 2010

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File 99999.99902

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

Dear Ms. Walli:

**Re: Hydro One Networks Inc. - EB-2009-0096**

We are counsel to the Consumers Council of Canada in this matter.

This letter is to advise you that we will be bringing a motion seeking the following orders:

1. That Hydro One Networks Inc. ("HON") be required to publish an amended Notice of Application showing the forecast revenue requirement, and the impact on rates and bills of that revenue requirement, arising from the increase in its allowed return on equity;
2. That, in that amended Notice of Application, HON be required to disclose the cost to ratepayers of its forecast expenditures which will not be recovered in its rates; and
3. That the hearing of the Application be adjourned to allow publication of the amended Notice of Application and to allow a period of time for persons to comment on the Application or to seek intervenor status.

The Ontario Energy Board ("Board") required HON to give Notice, including by means of publication in several newspapers, of its Application. That Notice included statements about the range of possible impacts, on rates and bills, of the relief sought in HON's Application. The range of possible impacts on rates and bills, described in the Notice of Application, reflected the level of return on equity for which HON sought approval at the time of the Application was filed. HON now seeks approval of an increased level of return on equity. The effect of the approval of the increased return on equity will be to increase HON's revenue requirement by approximately \$44 million in 2010. That increase in revenue requirement will, in turn, increase distribution rates and the total bill amounts in 2010. It is the position of our client that HON's ratepayers should be given notice of that increase before the Board approves it.

The Notice of Application did not include any statement about the effect on HON's ratepayers of forecast expenditures for which HON seeks approval, in this Application, but which will not be

recovered in HON's rates. It is the position of our client that HON's ratepayers should be given notice of all of the costs consequences, for ratepayers, of the Board approving HON's forecast expenditures.

While we will be seeking an Order adjourning the Application, to allow publication of the amended Notice and to allow persons an opportunity to intervene or to comment, we will not be asking that the Application be reheard, in whole or in part. It will be our position that persons who wish to file comments, or to intervene, will have to take the application record as it stands.

We will be filing a formal Notice of Motion, seeking the relief described above. However, we do not believe that there will a dispute as to the relevant fact and that the only issue will be what conclusions should be drawn from those facts.

Yours truly,

**WeirFoulds LLP**



Robert B. Warren

RBW/pg

c: Hydro One Networks Inc.  
Attn: Susan Frank  
Donald Rogers, Q.C.  
All parties

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