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Kirsten Walli
Board Secretary
Ontario Energy Board

Re: Hydro One Networks Inc. – 2011/2012 Transmission Rates Application – EB-2010-0002 – Draft Issues List

We are Counsel to the Consumers Council of Canada ("Council"). We have the following submissions to make regarding the Board's Draft Issues List for the Hydro One Network Inc.'s ("HON") 2011/2012 Transmission Rates proceeding.

The draft Issues List is, generally, satisfactory. There has been a large volume of evidence filed and, to date, we have not completed a detailed review of all of that evidence. Accordingly, we assume the Issues List can, at this time, be broadly interpreted and inclusive. We also hope that, through the Settlement Process, the Issues List can be refined, if required.

We have reviewed that submissions of the School Energy Coalition and are not opposed to any of their suggestions. The issues they raise largely fall within the scope of the Issues List as it is now drafted.

GENERAL:

We acknowledge that Issue 1.3 deals with the reasonableness of the revenue requirement, but do not agree with the wording "given the overall bill impact on consumers". The transmission component of the bill is relatively small when compared to the other components. In effect, the impact of HON's rate proposals do not represent a significant bill impact for consumers. That does not, however mean the revenue requirement is reasonable. We suggest eliminating the wording, "given the overall bill impact on consumers".

In light of the fact all of the components of the bill are rising and expected to continue to rise over the next several years, it is incumbent on HON to aggressively pursue ways to minimize its revenue requirement while maintaining a safe, efficient and reliable transmission system. We agree with the submissions of the Canadian Manufacturers and Exporters that the Board should consider adding to the list an issue regarding rate affordability. In considering the

reasonableness of the overall revenue requirements for the test years, the Board must consider the extent to which HON has addressed rate affordability and the extent to which it has adequately pursued productivity improvements and efficiency gains.

CAPITAL EXPENDITURES AND RATE BASE:

We suggest that Issue 4.4 be re-worded to be consistent with the wording in Issue 3.5. As it is now worded Issue 4.4 is restricted to the consideration as to whether the Shared Services cost allocation methodology is consistent with previous decisions. The issue should be broadened to allow for a consideration of the methodology itself and not simply whether it is consistent with previous Board decisions.

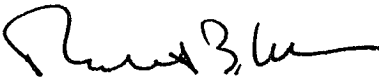
GREEN ENERGY PLAN

With respect to the issues regarding HON's Green Energy Plan, we submit that Issue 9.1 should be omitted. The Board's role in this proceeding is to evaluate the prudence of the forecast Green Energy Plan costs. It is not the Board's role, as an independent economic regulator, to determine whether HON's Green Energy Plan is consistent with "government instruction". The Board must assess the extent to which the projects and their associated costs within the Green Energy Plan are prudent.

Although we acknowledge that issue 7.1 relates to HON's overall cost allocation methodology we would like to see an additional issue that sets out specifically, "Are HON's cost allocation proposals for the Green Energy Plan costs appropriate?"

Yours truly,

WeirFoulds LLP



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cc: Hydro One Networks Inc.
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Julie Girvan
All Parties

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