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August 24, 2010

DELIVERED BY E-MAIL AND COURIER

Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Hydro One Networks Inc. 2011 & 2012 Transmission Revenue Requirement and Rate Application
HQ Energy Marketing Inc. Letter of Intervention
Ontario Energy Board File No. EB-2010-0002**

We are counsel to HQ Energy Marketing Inc. (“HQEM”) in the above captioned matter. HQEM is the Canadian power marketing subsidiary of Hydro-Québec. Hydro-Québec is one of North America’s largest electric utilities – it is involved in transmission, distribution and generation of electricity, mainly using renewable energy sources, and in particular hydroelectricity. HQEM is a participant in the Ontario energy market, and sells into, buys from, and wheels energy through Ontario to other neighbouring control areas.

HQEM requests intervenor status with respect to this proceeding. HQEM will not be seeking an award of costs. HQEM acknowledges that it is requesting the Board’s permission to intervene in the proceeding after the time set out in the Notice of Application. Rule 23.05 of the Board’s *Rules of Practice and Procedure* (the “Rules”) provides that

“A person may apply for intervenor status after the time limit directed by the Board by filing and serving a notice of motion and a letter of intervention that, in addition to the information required under **Rule 23.03**, shall include reasons for the late application.”

HQEM requests that this letter be considered its notice of motion in this regard. With respect to the reasons for the late application, Hydro Québec submits that due to certain internal reorganization that has taken place in recent months, the deadline for filing an intervenor request was inadvertently missed. Hydro Québec also notes that one of the matters in which it has an interest – the export transmission service tariff – was not

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confirmed as part of the Issues List until fairly recently, in the Board's July 20, 2010 Decision on the Issues List.

HQEM currently anticipates that the scope of its participation will be narrow. The Board has confirmed that the matter of the export transmission service tariff will be considered to fall within Issue 1.1 – "Has Hydro One responded appropriately to all relevant Board directions from previous proceedings?" However, HQEM also understands that the Board has limited the scope of that matter, so that "The Board will permit questions respecting the IESO report which are in the nature of a review of the report, but not a fundamental reconsideration of it."

HQEM understands that there has already been a round of interrogatories in this proceeding, and is prepared to accept the record and the timeline for this proceeding as they stand. With intervenor evidence due on Thursday of this week and interrogatories on that evidence due September 3, 2010, HQEM is proceeding on the basis that it will be granted intervenor status in order that it may meet these deadlines. HQEM further undertakes to consult with other parties which may have an interest similar to its own to avoid any duplication during the settlement conference and the hearing phases of the application.

Notice

We request that copies of all documents and correspondence pertaining to this proceeding be served on Hydro Québec and its counsel as follows:

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We thank you for your attention to this matter and we trust that this letter will be sufficient for granting HQ Energy Marketing Inc. intervenor status in the upcoming proceeding. Should you have any questions or require any further information, please do not hesitate to contact me.

Yours very truly,

BORDEN LADNER GERVAIS LLP

Original signed by J. Mark Rodger

J. Mark Rodger

JMR/jcs

Copies to: Mr. Yannick Viennes, Hydro Québec
 Mr. D.H. Rogers, Q.C., Counsel to the Applicant (e-mail)
 Ms. Anne-Marie Reilly, Regulatory Affairs, Hydro One Networks (e-mail)

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