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**Susan Frank**

Vice President and Chief Regulatory Officer  
Regulatory Affairs



BY COURIER

September 3, 2010

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

**EB-2010-0002 – Hydro One Networks' 2011 and 2012 Transmission Revenue Requirement Application –Hydro One Networks Comments on CME Evidence**

Hydro One Networks Inc. (“Hydro One”) has reviewed the pre-file evidence of the Canadian Manufacturers and Exporters (“CME”) filed with the Ontario Energy Board (“the Board”) on July 20, 2010 with respect to the above proceeding.

Based upon its review of the CME evidence, Hydro One will not be submitting any interrogatory questions respecting this evidence. However, Hydro One does have a concern with CME’s intention to provide a panel of witnesses to defend the filed evidence as the scope of the CME evidence goes beyond the Issues List finalized by the Board in Procedural Order NO. 2 issued on July 21, 2010 and where in the attached oral Decision the Board specifically excluded CME’s request to include a specific issue dealing with what measures for evaluating customer impacts and affordability are appropriate. At page 38 of its Decision, the Board stated:

“The Board does not see this proceeding as the appropriate forum for the development of measures to evaluate consumer impacts and affordability, as suggested by CME in its proposed new 10.2.

It is the Boards view that the development of objective measures or specific methodologies for the evaluation of customer impacts and affordability is a subject matter that falls outside the scope of this case.”

It is Hydro One's view that the evidence filed by CME is an attempt to reintroduce its proposed issue by way of filing evidence. Hydro One submits that projections of total bill impacts and any review and analysis there of, applies equally to all parts of the power supply chain and is therefore a generic issue which should more appropriately, be considered in another forum, certainly not in this transmission application.

Hydro One is responsible for the transmission impact on a customer's bill for the 2011 and 2012 test years based upon the Company's evidence in this proceeding. Why should one component (the transmitter portion), be potentially denied cost recovery because of the impact of the introduction of the HST, or any other increases beyond the Company's control that may contribute to the high overall customer bill impact.

Hydro One therefore requests that the Board not allow the presentation of a witness panel by CME to deal with their pre-filed evidence, as such evidence is clearly beyond the scope of the Issues List approved by the Board for this proceeding.

Sincerely,

ORIGINAL SIGNED BY SUSAN FRANK

Susan Frank