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**Susan Frank**

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BY COURIER

December 7, 2010

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
Suite 2700, 2300 Yonge Street  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**EB-2010-0282 – Application for Exemption from Mandated Time of Use Pricing for Certain Regulated Price Plan Consumers – Hydro One Networks Inc. Reply Argument**

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The intent of this reply submission of Hydro One Networks Inc. (“Hydro One”) is to respond to the Board staff submission dated November 30, 2010.

Hydro One is pleased that Board staff recognizes the challenge of installing and operating smart meters in such vast service territory and has no objection to the Company’s request for an exemption.

Board staff expressed concern with the level of detail provided by Hydro One concerning its plan to reach the affected 150,000 customers and transition them to Time of Use (“TOU”) billing. Hydro One is supportive of the resulting Board staff recommendation for quarterly reporting on Hydro One’s plan and progress. Throughout 2011, the Company will continue to learn more about the potential reach and limitations of different technology solutions. By September 2011, Hydro One will be in a position to produce a more meaningful work plan and therefore recommends that the first quarterly progress report to be submitted to the Board in October, 2011.

Hydro One remains committed to transitioning 1.05 million Regulated Price Plan (“RPP”) customers to TOU billing by June 2011 and will continue to file monthly progress reports with the Board until project completion (i.e. 1.05 million customers migrated to TOU rates).

In conclusion, Hydro One is supportive of the Board staff recommendation for quarterly progress reporting and suggests that the first report be submitted to the Board in October, 2011. Hydro One requests the Board to approve this exemption.

Sincerely,

ORIGINAL SIGNED BY SUSAN FRANK

Susan Frank