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Vice President and Chief Regulatory Officer
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BY COURIER

January 27, 2011

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

Dear Ms. Walli:

EB-2010-0332 – Hydro One Networks' Board-Approved CDM Programs Application - Hydro One Networks and Hydro One Brampton Responses to School Energy Coalition January 28, 2010 Letter

This letter is being sent on behalf of both Hydro One Networks Inc. and Hydro One Brampton Networks Inc. (collectively, "Hydro One"), the Applicants in the two above-noted matters. This letter is in response to a January 28th letter to the Board from Jay Shepherd on behalf of School Energy Coalition, which letter requested that the Board postpone the scheduled oral hearing in the two above-noted Applications and, instead, schedule a Technical Conference to be held on February 3 and 4.

Hydro One asks that the Board maintain the previously-determined schedule. Throughout the process, Hydro One has complied with the dates specified by the Board and is ready to proceed on February 3 and 4, being the dates already scheduled by the Board.

The suggestion to have a Technical Conference at this late date would, in Hydro One's view, simply delay the process and result in a lengthened, even broader interrogatory process. All intervenors have had ample opportunity to participate in the interrogatory process, and Hydro One diligently responded, within the Board-mandated timelines, to approximately 430 interrogatories, when "parts" of interrogatories are taken into account. Hydro One will be putting forward a panel of three witnesses who will be able to answer questions in cross-examination and satisfy concerns of the Board, Board staff and intervenors.

Hydro One believes that it is important to recognize that these Applications were made to seek approval for their own CDM programs and not for the Province-wide CDM programs of the Ontario Power Authority. The Hydro One programs are for a total cost of under \$40 million (taking both LDCs into account), divided among six programs over a four-year period. Furthermore, if approved, the Applicants' programs will have variance accounts to ensure the Board and intervenors that neither Applicant will be able to keep any unspent monies.

The OPA itself is supportive of these Applications and has provided a letter, seen by the Board, Board staff, and all intervenors, stating that the Applicants' proposed programs are both incremental and complementary to the OPA's Province-wide programs. Additionally, the letter states that the OPA believes that "the experience gained by the applicants in implementing these programs now can contribute to the continuous improvement" of the OPA Province-wide programs.

The timelines for introduction of these programs are short, given the targets that must be met pursuant to the Applicants' respective distribution licences. The Applicants need to issue RFPs as quickly as possible to enable these programs to get to market to meet this year's (2011) targets. As well, the Applicants' customers need these programs as soon as possible to help them curb their energy consumption and, thereby, their energy costs. As the Applications themselves point out, and as stated in the OPA's letter, the projected provincial savings from the OPA programs are less than the provincial aggregate LDC target, leaving a gap that must be filled now.

It is for all these reasons that Hydro One is respectfully asking the Board to maintain the schedule that the Board previously determined, which is to begin the oral hearing on February 3.

Sincerely,

ORIGINAL SIGNED BY SUSAN FRANK

Susan Frank

c. Intervenors (Electronic Only)