Rogers Partners LLP Barristers & Solicitors

D.H. Rogers, Q.C.

Donald H. Rogers Professional Corporation e-mail: don.rogers@rogerspartners.com Direct Dial: (416) 594-4501 Assistant: (416) 594-4511

Our File Number: 72738

February 14, 2008

Mr. David Morellato 429 Morse Street Thunder Bay, Ontario P7A 1G7

Dear Mr. Morellato:

Re: Hydro One Networks Inc. - 2008 Distribution Rates Application

EB-2007-0681

I am counsel to Hydro One Network Inc. in the pending application concerning rates and other charges for the distribution of electricity. I would like to respond to your letter of February 11, 2008 addressed to the secretary of the Ontario Energy board, a copy of which was sent to me.

The regulation of electricity production and distribution in Ontario is very complex and is dealt with through a number of regulatory agencies and processes. I would like to deal with each of your issues in turn.

<u>Item 1.2</u>

Any agreements with the Departments of Indian Affairs and Remote First Nations related to off-grid communities would be the responsibility of Hydro One Remote Communities Inc. which makes separate applications to the OEB. I believe your concerns should be addressed in one of those proceedings.

Your comments concerning a northern grid appear to be more relevant to the OEB process presently underway to consider the Integrated Power System Plan (IPSP), proposed by the Ontario Power Authority.

Item 2.1

Your comments do not appear to relate to Hydro One's capital structure, but rather to the distribution connection procedures which are proscribed by the Distribution System

Rogers Partners LLP Barristers & Solicitors

Code. I suggest that you contact the OEB to determine when the Code provisions will next be reviewed.

<u>Item 7.1</u>

Your comments concerning customer classes do fall within the scope of the pending distribution rate hearing. I suggest that you obtain a copy of the latest version of the proposed Issues List from Board counsel. This is to be finalized by the OEB on Friday, February 15, 2008.

Items 7.6

Your discussion with respect to transmission rates does not pertain to retail transmission rates, but rather with the issue of uniform transmission rates. Any issues with respect to uniform transmission rates will need to be considered by the Board in a future transmission proceeding.

With respect to your comments with respect to the RRRP being scrapped, the RRRP is governed by legislation and as such is not an issue for this proceeding.

I appreciate that there is a complex array of regulatory processes to deal with which can be very confusing. I hope that these comments are of some help to you, but if you have further questions, I suggest that you contact the OEB or check its website where there is a great deal of helpful information to explain the process.

Yours very truly,

D. H. Rogers DHR:db

c. Robert Warren
Julie Girvan
Michael Miller, Board Counsel
Rudra Mukherji, Board Staff
Kirsten Walli, Board Secretary