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BY COURIER

September 13, 2011

Ms. Kirsten Walli
Secretary
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON.
M4P 1E4

Dear Ms. Walli:

**EB-2011-0260 – TransCanada Power Transmission (Ontario) L.P. Transmission Licence
Amendment Application – Hydro One Networks Inc. Argument**

Hydro One has reviewed the submission of TransCanada Power Transmission Ontario LP (“TPT”), dated September 6, 2011, in the above-noted proceeding. It is Hydro One’s view that the exemption requested in TPT’s submission is effectively an extension of TPT’s earlier exemption request from certain provisions of the Affiliate Relationships Code (the “ARC”), which the Board already dealt with in its Decision, dated June 22, 2011, in the EB-2010-0324 proceeding.

TPT’s submission invites Hydro One to clarify why Hydro One believes it will be required to provide customer-specific confidential information and to “clearly state whether it believes that licensing is required during the designation hearing process in order to protect customer specific confidential information.” In response, Hydro One submits that the nature of any information disclosure will be driven by the transmitter designation process, which is new and largely untested. It is therefore difficult to foresee what confidential information Hydro One or others may be required to produce in the course of the designation process, in relation to the current East-West Tie or any other future projects. It is similarly difficult at this stage to predict what information might come into TPT’s possession during the designation process.

TPT’s request to amend the effective date of its transmission licence would, in Hydro One’s view, require the Board to review the basis for granting that licence at the potential effective date, as circumstances may have changed since the licence was issued. Hydro One also questions the merit of the Board issuing a licence with a floating or indefinite effective period.

Hydro One suggests that if the Board decides to amend TPT's licence, it should similarly revise the licences of other new entrants in the interests of fairness and consistency, and amend the licensing provisions of Board Policy issued under EB-2010-0059 (August 26, 2010).

Sincerely,

ORIGINAL SIGNED BY ODED HUBERT

Oded Hubert

- c. Mr. Brian Kelly, TransCanada Power Transmission (Ontario) L.P.
Mr. George Vegh, McCarthy Tetrault LLP