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By electronic filing

October 17, 2011

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
27th floor
Toronto, ON M4P 1E4

Dear Ms Walli,

**Hydro One Networks Inc. (“Hydro One”)
Review of 2012 Transmission Revenue Requirement
US GAAP Proposal**

Board File No.: EB-2011-0268

Our File No.: 339583-000115

Pursuant to the Notice of Hearing and Procedural Order No. 1 dated August 25, 2011, please consider this correspondence as Canadian Manufacturers & Exporters’ (“CME”) written comments on the adjustments requested by Hydro One Networks Inc. (“Hydro One”) for its 2012 Transmission Revenue Requirement and Transmission Rates. The requested adjustments are a consequence of the adoption of US Generally Accepted Accounting Principles (“US GAAP”) instead of Modified International Financial Reporting Standards (“MIFRS”).

In considering the appropriateness of the relief sought by Hydro One, CME has considered the documents filed by Hydro One on September 6, 2011, as well as Hydro One’s responses to interrogatories provided on September 30, 2011. CME has also had the benefit of reviewing the submissions of London Property Management Association (“LPMA”) and the School Energy Coalition (“SEC”). CME has benefited from the work conducted by these two parties.

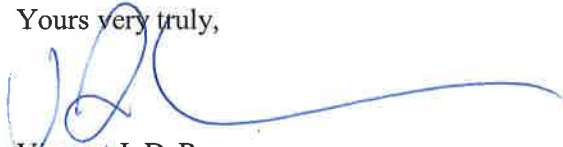
CME supports Hydro One’s request to use US GAAP instead of MIFRS. CME agrees with LPMA that the reductions in revenue requirement for 2012, as well as the potential reductions for 2012 and beyond, represent substantial savings for ratepayers. With the single caveat set out below, and for the reasons set out in LPMA’s submissions, CME agrees that the use of US GAAP instead of MIFRS will benefit ratepayers.

SEC has raised concerns with respect to Hydro One’s proposal to revert to full capitalization of overheads. To this end, SEC has proposed that the Board direct Hydro One to undertake a full review of their existing capitalization policies to be filed as part of their next rates case. CME supports this proposal.

CME has cooperated with other intervenors in order to maximize efficiency and reduce overall costs. In doing so, we have acted responsibly and request that the Board order payment of CME's reasonably incurred costs.

If you have any further questions or concerns, please feel free to contact me at your convenience.

Yours very truly,



Vincent J. DeRose

VJD

c. Susan Frank (Hydro One)
Paul Clipsham (CME)

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