

**Hydro One Networks Inc.**

8<sup>th</sup> Floor, South Tower  
483 Bay Street  
Toronto, Ontario M5G 2P5  
www.HydroOne.com

Tel: (416) 345-5700  
Fax: (416) 345-5870  
Cell: (416) 258-9383  
Susan.E.Frank@HydroOne.com

**Susan Frank**

Vice President and Chief Regulatory Officer  
Regulatory Affairs



BY COURIER

May 28, 2012

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

Dear Ms. Walli:

**EB-2012-0031 – Hydro One Networks' 2013 and 2014 Transmission Revenue Requirement Application – Application and Evidence Filing**

---

The Hydro One Networks' Application and Prefiled Evidence in support of a proposed transmission revenue requirement to be implemented on January 1, 2013 and January 1, 2014, has been submitted using the Ontario Energy Board's Regulatory Electronic Submission System. The confirmation of successful submission slip is provided with this letter. It is also our intention to post electronic copies of the Application and supporting evidence on the Hydro One Networks website for public access. In addition, one copy of each four-volume set is being provided for public access at each of the following Hydro One Networks' offices -

Hydro One Networks Head Office, 8thFloor, South Tower, 483 Bay Street, Toronto, Ontario

Hydro One Networks Barrie Field Business Centre, 45 Sarjeant Drive, Barrie, Ontario

Hydro One Networks Peterborough Field Business Centre, 913 Crawford Drive, Peterborough, Ontario

Hydro One Networks Sudbury Field Business Centre, 957 Falconbridge Road, Sudbury, Ontario

Hydro One Networks Merivale Service Centre, 31 Woodfield Drive, Ottawa, Ontario

Hydro One Networks Dundas Field Business Centre, 40 Olympic Drive, Dundas, Ontario

Hydro One Networks Beachville Field Business Centre, 56 Embro Street, Beachville, Ontario

Hydro One Networks Thunder Bay Field Business Centre, 255 Burwood Road, Thunder Bay, Ontario

A text-searchable Acrobat electronic version and ten (10) paper copies of the application will be sent shortly.

Hydro One Networks' points of contact for service of documents associated with this Application are listed in Exhibit A, Tab 2, Schedule 1.

Also attached is a list of newspapers in which the Board's Notice of Application for the EB-2010-0002 proceeding was published. Hydro One would like to discuss with Board staff the potential to reduce the number of newspapers in which the Notice for this Application must be published in, possibly by use of other social media outlets in order to reduce costs and provide a more efficient means of communication.

Similarly a draft Issues List is also attached for consideration of the Board. Hydro One would be happy to discuss this list with Board staff prior to its formal issue for stakeholder agreement.

Sincerely,

ORIGINAL SIGNED BY SUSAN FRANK

Susan Frank

Attach.

<b>EB 2012-0031- COMPLETE NEWSPAPER LIST</b>	<b>Category</b>	<b>Language</b>
Atikokan Progress	Weekly	English
Barrie Examiner	Daily	English
Belleville Intelligencer	Daily	English
Brantford, The Expositor	Daily	English
Fort Francis Times	Daily	English
Globe and Mail (Ontario)	Daily	English
Guelph Mercury	Daily	English
Hamilton Spectator	Daily(Mon-Thurs)	English
Kingston Whig-Standard	Daily	English
Kitchener Record	Daily (Mon-Thurs)	English
Niagara Falls Review	Daily	English
Peterborough Examiner	Daily	English
Sarnia Observer	Daily	English
Sault Ste. Marie Star	Daily	English
Simcoe Reformer	Daily	English
St. Catharines Standard	Daily	English
Stratford Beacon Herald	Daily	English
Sudbury Star	Daily	English
Thunder Bay Chronicle Journal	Daily	English
* Thunder Bay Chronicle Journal	"	French
Timmins, The Daily Press	Daily	English
Toronto Star (Section A,GTA)	Daily	English
Welland Tribune	Daily	English
Woodstock Sentinel	Daily	English
Brockville Recorder	Daily	English
Chatham Daily News	Daily	English
Cornwall Le Journal	Weekly	French
Kenora Daily Miner and News	Daily	English
Le Reflet (Prescott Russell)	Weekly	French
Marathon Mercury	Weekly	English
* Marathon Mercury	"	French
Pembroke Observer	Daily	English
Rainy River Record	Weekly	English
Sioux Lookout Bulletin	Weekly	English
St. Thomas Times Journal	Daily	English
Sturgeon Falls West Nipissing Tribune	Weekly	English
* Sturgeon Falls West Nipissing Tribune	"	French
Terrace Bay Schreiber News	Weekly	English
* Terrace Bay Schreiber News	"	French
Toronto L'Express	Weekly	French
Aylmer Express	Weekly	English
Barry's Bay This Week	Weekly	English
Bracebridge Examiner	Weekly	English
Clinton News Record	Weekly	English
Dryden Observer	Weekly	English
Elliot Lake The Standard	Weekly	English
Essex Free Press	Weekly	English
Geraldton Times Star	Weekly	English
Hamilton Le Regional	Weekly	French
Hawkesbury Le Carillon	Weekly	French
Hearst/Kapusking Le Nord	Weekly	French
Huntsville Forester	Weekly	English
Ignace Driftwood	Weekly	English
* Ignace Driftwood	"	French

<b>EB 2012-0031- COMPLETE NEWSPAPER LIST</b>	<b>Category</b>	<b>Language</b>
Le Metropolitan (Toronto-Brampton)	Weekly	French
Listowel Banner	Weekly	English
London L'action	Weekly	French
Manitouwadge Echo	Weekly	English
* Manitouwadge Echo	"	French
Ohsweken Turtle Island News (First Nation)	Weekly	English
Parry Sound North Star	Weekly	English
Red Lake Northern Sun News	Weekly	English
Sudbury Le Voyageur	Weekly	French
Thessalon North Shore Sentinel	Weekly	English
* Thessalon North Shore Sentinel	"	French
Timmins Les Nouvelles	Weekly	French
Vankleek Hill Review	Weekly	English
Walkerton Herald Times	Weekly	English
Wawa Algoma News Review	Weekly	English
Winchester Press	Weekly	English
Windsor Le Rempart	Weekly	French
Arnprior Chronicle-Guide	Weekly	English
Bancroft Times	Weekly	English
Brighton Independent	Weekly	English
Cambridge Times	Community	English
Cochrane Times-Post	Weekly	English
Cornwall, Standard-Freeholder	Daily	English
Kapuskasing The Weekender	Weekly	English
* Kapuskasing The Weekender	"	French
London Free Press	Daily	English
North Bay Nugget	Daily	English
Northumberland today	Weekly	English
Orangeville Banner	Weekly	English
Orillia Packet and Times	Daily	English
Ottawa Citizen	Daily	English
Ottawa Le Droit	Daily	French
Owen Sound, The Sun Times	Daily	English
Penetanguishene Le Gout De Vivre	Semi-monthly	French
Perth Courier	Weekly	English
Picton Gazette	Weekly	English
Strathroy Age Dispatch	Weekly	English
Windsor Star	Daily	English
Brampton Guardian	Weekly	English
* Brampton Guardian	"	French
Clarence-Rockland Vision	Weekly	English
* Clarence-Rockland Vision	"	French
Kirkland Lake Northern Daily News	Daily	English
Lindsay Daily Post	Weekly	English
Mississauga News	Weekly	English
* Mississauga News	"	French
New Liskeard Temiskaming Speaker's Weekender	Weekly	English
Oshawa/Whitby/Clarington This Week (Eng)	Weekly	English
Sioux Lookout Wawatay News	Semi-monthly	English

**HYDRO ONE NETWORKS INC.**  
**EB-2012-0031**  
**PROPOSED ISSUES LIST**

**1. GENERAL**

- 1.1 Has Hydro One responded appropriately to all relevant Board directions from previous proceedings?
- 1.2 Are Hydro One's economic and business planning assumptions for 2013/2014 appropriate?
- 1.3 Is the overall increase in 2013 and 2014 revenue requirement reasonable?

**2. LOAD FORECAST and REVENUE FORECAST**

- 2.1 Is the load forecast and methodology appropriate and have the impacts of Conservation and Demand Management initiatives been suitably reflected?
- 2.2 Are Other Revenue (including export revenue) forecasts appropriate?

**3. OPERATIONS MAINTENANCE & ADMINISTRATION COSTS**

- 3.1 Are the proposed spending levels for, Sustaining, Development and Operations OM&A in 2013 and 2014 appropriate, including consideration of factors such as system reliability and asset condition?
- 3.2 Are the proposed spending levels for Shared Services and Other O&M in 2013 and 2014 appropriate?
- 3.3 Are the 2013/14 Human Resources related costs (wages, salaries, benefits, incentive payments, labour productivity and pension costs) including employee levels appropriate? Has Hydro One demonstrated improvements in efficiency and value for dollar associated with its compensation costs?
- 3.4 Are the methodologies used to allocate Shared Services and Other O&M costs to the transmission business and to determine the transmission overhead capitalization rate for 2013/14 appropriate?
- 3.5 Are the amounts proposed to be included in the 2013 and 2014 revenue requirements for income and other taxes appropriate?
- 3.6 Is Hydro One Networks' proposed depreciation expense for 2013 and 2014 appropriate?

#### **4. CAPITAL EXPENDITURES and RATE BASE**

- 4.1 Are the amounts proposed for rate base in 2013 and 2014 appropriate?
- 4.2 Are the proposed 2013 and 2014 Sustaining and Development and Operations capital expenditures appropriate, including consideration of factors such as system reliability and asset condition?
- 4.3 Are the proposed 2013 and 2014 levels of Shared Services and Other Capital expenditures appropriate?
- 4.4 Are the methodologies used to allocate shared services and other capital expenditures to the transmission business, appropriate?
- 4.5 Are the inputs used to determine the working capital component of the rate base and the methodology used appropriate?
- 4.6 Does Hydro One's Asset Condition Assessment information and Investment Planning Process adequately address the condition of the transmission system assets and support the O&MA and Capital expenditures for 2013/14?

#### **5. COST OF CAPITAL/CAPITAL STRUCTURE**

- 5.1 Is the proposed timing and methodology for determining the return on equity and short-term debt prior to the effective date of rates appropriate?
- 5.2 Is the forecast of long term debt for 2012-2014 appropriate?

#### **6. DEFERRAL/VARIANCE ACCOUNTS**

- 6.1 Are the proposed amounts, disposition and continuance of Hydro One's existing Deferral and Variance accounts appropriate?
- 6.2 Are the proposed new Deferral and Variance Accounts appropriate?

#### **7. COST ALLOCATION**

- 7.1 Is the cost allocation proposed by Hydro One appropriate?

#### **8. GREEN ENERGY PLAN**

- 8.1 Are the OM&A and capital amounts in the Green Energy Plan appropriate and based on appropriate planning criteria?