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Susan Frank

Vice President and Chief Regulatory Officer
Regulatory Affairs



BY COURIER

July 19, 2012

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

Dear Ms. Walli:

EB-2012-0180 – Hydro One Networks' Request for an Accounting Order to Establish a Deferral Account related to the East-West Tie Line Proceeding – Hydro One Networks Draft Rate Order

In accordance with the Board's Decision and Order dated July 12, 2012, I am attaching two (2) copies of Hydro One Networks' Draft Rate Order for each of the following two new sub-accounts:

- Account 1508, Other Regulatory Assets, Sub-account EWTDA - Support Costs for OEB Designation Process; and
- Account 1508, Other Regulatory Assets, Sub-account EWTDA - Development Work Associated with Stations and Other Supporting Asset Expenditures.

An electronic copy of the reply submission has been filed using the Board's Regulatory Electronic Submission System (RESS) and the proof of successful submission slip is attached.

Sincerely,

ORIGINAL SIGNED BY SUSAN FRANK

Susan Frank

Attach.

c. Intervenors (electronic only)

HYDRO ONE NETWORKS INC.
TRANSMISSION ACCOUNTING ORDER

Hydro One Networks Inc. Transmission (Hydro One Transmission) received permission (EB-2012-0180) to record incremental costs related to the East-West Tie Designation Proceeding (EB-2011-0140) in two new sub-accounts of Deferral Account 1508 on July 12, 2012.

Hydro One Transmission will establish the following two new sub-accounts effective March 22, 2012:

1. Sub-Account EWTDA-Support Costs for OEB Designation Process

Hydro One Transmission will establish a new sub-account *East West Tie Deferral Account ("EWTDA") – Support Costs for OEB Designation Process* to track incremental support costs relating to the EWT designation process and any costs related to station development work prior to the designation of a transmitter.

The account shall be established as Account 1508, Other Regulatory Assets, sub-account 'EWTDA-Support Costs for OEB Designation Process'.

Hydro One Transmission will record interest on any balance in the sub-account using the interest rates set by the Board. Simple interest will be calculated on the opening monthly balance of the account until the balance is fully disposed.

2. Sub-Account EWTDA-Development Work Associated with Stations and Other Supporting Asset Expenditures.

Hydro One Transmission will establish a new sub-account *EWTDA – Development Work Associated with Stations and Other Supporting Asset Expenditures*. Hydro One will track

1 costs related to station development work subsequent to the designation of a transmitter
2 in this sub-account for regulatory purposes. These costs will be captured in sufficient
3 detail for them to be reviewed for prudence when Hydro One requests disposition at a
4 future date.

5
6 The account shall be established as Account 1508, Other Regulatory Assets, sub-account
7 'EWTDA-Development Work Associated with Stations and Other Supporting Asset
8 Expenditures'.

9
10 Hydro One Transmission will record interest on any balance in the sub-account using the
11 interest rates set by the Board. Simple interest will be calculated on the opening monthly
12 balance of the account until the balance is fully disposed.