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Vice President and Chief Regulatory Officer
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VIA COURIER

August 21, 2012

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

Dear Ms. Walli:

**EB-2012-0136 - Hydro One Networks Inc. 2013 IRM Distribution Rate Application
Hydro One Comments Re: Intervenor Comments on Procedural Order #1 Timeline and
Draft Issues List**

Hydro One Networks Inc. ("Hydro One") has reviewed intervenor comments in response to the Ontario Energy Board's ("the Board") Procedural Order #1 issued on August 10, 2012 and Hydro One's comments filed with the Board on August 14, 2012 and offers the following comments for the Board's consideration.

With respect to the proposed interrogatory timetable, Hydro One notes intervenors are fully supportive of Hydro One's request to have the timetable for interrogatories and the oral hearing adjusted to avoid overlap with the Hydro One Transmission EB-2012-0031 schedule and Hydro One appreciates their support in this regard.

The Vulnerable Energy Consumers Coalition ("VECC"), the Consumers Council of Canada ("CCC") and the Association of Major Power Consumers ("AMPCO") feel an additional week should be added to the dates proposed for intervenor evidence and associated interrogatories. Hydro One is not opposed to the extension should the Board so chose.

Hydro One also notes considerable support from intervenors with respect to the review of the Density Study as part of this IRM application. Only VECC was opposed to its inclusion. Hydro One reiterates its desire to have the study findings be included as an issue in this proceeding.

School Energy Coalition ("SEC"), the Canadian Manufacturers & Exporters ("CME"), Energy Probe and the Ontario Federation of Agriculture support including the Density Study as an issue under Hydro One's IRM application. In VECC's arguments against including the Density Study they state that a review of the Stakeholder session notes "indicates that the Stakeholders present

had issues regarding how Hydro One was proposing to implement the results of its Density Study”. Hydro One agrees there are a number of options for implementing the Density Study, which it has presented in the evidence submitted in Exhibit D, Tab 1, Schedule 1, however, we would point out that there was no negative feedback with respect to including and discussing the Study results within the context of Hydro One’s 2012 IRM application.

VECC also challenged the notion that implementing the Density Study as part of the 2012 IRM application would serve to mitigate future rate impacts. Hydro One believes that making the rate changes necessary to align with the results of the Density Study as part of the 2012 IRM application will help mitigate future bill impacts by avoiding IRM-driven increases to urban customer rates that would need to be negated when the Density Study results are eventually implemented in the next Cost of Service application.

SEC, VECC and CME wish to expand the Issues List. Hydro One has reviewed their suggested additions and believes they are all currently subsumed in the draft Issues List but will leave it to the Board to take the intervenor suggestions into account when finalizing the Issues List.

All of which is respectfully submitted,

ORIGINAL SIGNED BY SUSAN FRANK

Susan Frank

c. Intervenor (EB-2012-0136)