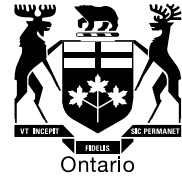


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BY E-MAIL

October 10, 2012

Susan Frank
Vice President and Chief Regulatory Officer
Regulatory Affairs
Hydro One Networks Inc.
8th Floor, South Tower
483 Bay Street
Toronto ON M5G 2P5

Dear Ms. Frank,

**Re: Hydro One Networks Inc.
Application for Rates, Hydro One Remote Communities Inc.
Board File Number EB-2012-0137**

A preliminary review of the application made on behalf of Hydro One Remote Communities Inc. ("Remotes") has identified that certain sections of the evidence supporting the application do not comply with the Board's Filing Requirements for cost of service applications. As a result, the Board is unable to process your application at this time and will take no further action in respect of the application until a complete application is received.

The missing information includes:

Chapter 2 Filing Requirement References	
Page #	Description
5	When was the forecast of the revenue requirement prepared and when was it approved by management or Remotes' board for use in this application?
13	Revenue Requirement Work Form
14	Pro Forma Financial Statements for the bridge and test years
Page #	Description
15-16	Appendix 2-B – Fixed Asset Continuity Schedule -- gross assets and accumulated depreciation of Property, Plant and Equipment accounts
20	Appendix 2-A – Capital Projects
24	Assumptions underlying the load forecast, including impact of CDM
25	Analysis of load forecast variance, and information demonstrating accuracy of past load forecasts
25-26	Weather-normalized volumes and revenues
26	Explanation of average consumption in each rate class
26	Appendix 2-F -- Other Operating Revenues -- in Excel format
28	Appendixes 2 -G, -H, -I, -J and -L – Excel tables showing details of O&M expenditures and variances
30	Explanations of compensation variances -- Appendix 2-K in Excel format
31	Shared Services annually -- Appendix 2-N in Excel format
32-33	Depreciation by asset group, comparing accounting standards CGAAP and USGAAP; Appendix CI
39	Debt Instruments -- Appendix 2-OB
47	Loss Factor historical data – Appendix 2-R; including grid-connected separately
48	Revenue Reconciliation -- Appendix 2-V in Excel format
52	Analysis supporting conformity with Board's FAQ # 4 (December 2010), re PILs sub-account HST/OVAT and associated Input Tax Credits
53	Accounting standard transition cost -- Appendix 2-U in Excel format
54	Information and calculations on transition to USGAAP analogous to Filing Requirements related to MIFRS PP&E deferral account. Appendix 2-EA

The Board expects that Remotes will file the above listed required information as soon as possible.

If any of the information that is identified as missing is located in sections other than those identified in the Filing Requirements, or if any of the information is not applicable in your circumstances, please provide an explanation when filing the remainder of the required information.

In addition to the incomplete information listed above, the Board requests that Remotes make a new calculation of its materiality threshold, in order to ensure that the Board's review of prudence of capital expenditures is consistent with other electricity distributors. Specifically, the Board requests that the materiality threshold be revised, such that fuel costs and other generation costs are treated as if they were components of working capital. If there are capital expenditures that would exceed this revised threshold, the Board requests that information be added to the existing information attached to Exhibit D2.2.3 accordingly.

Please direct any questions relating to this application to Neil Mather, Project Advisor at 416-440-7650 or Neil.Mather@ontarioenergyboard.ca.

Yours truly,

Original signed by

John Pickernell
Assistant Board Secretary