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Susan Frank

Vice President and Chief Regulatory Officer
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June 7, 2013

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

Dear Ms. Walli,

EB-2012-0383 – OEB Consultation – Review of Cost Allocation Policy for Unmetered Loads – Hydro One Networks Inc. Letter of Comment

Hydro One valued the opportunity to participate in the Working Group and commends the group on the productive manner in which the participants discussed their various issues and opinions. Hydro One believes the proposed recommendations in the Elenchus report for the Board to be appropriate in the cost allocation of unmetered loads.

However Hydro One is concerned regarding the timelines that may be imposed by the Board to accomplish these recommendations. Given the vast number of municipalities and unmetered load customers it serves across the province, the initial updating of Unmetered Load profiles and the implementation of the process established in the revised Conditions of Service is a substantial undertaking for Hydro One. Hydro One therefore requests flexibility regarding the timing for the completion of these two initiatives.

Hydro One supports the recommendations to continue:

- the use of demand in kW as a cost allocator;
- the use of the Minimum System Method approach to classify distribution lines and transformers as customer and demand related in cost allocation;
- to maintain the existing revenue to cost ratios given the quality of data.

Hydro One will continue to support the Board in this cost allocation review.

Sincerely,

ORIGINAL SIGNED BY SUSAN FRANK

Susan Frank