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**Our File # 339583-000003**

By electronic filing

February 17, 2015

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> floor  
Toronto, ON M4P 1E4

Dear Ms. Walli

**Re: Hydro One Networks Inc. (“Hydro One”)  
Notice of New Cost Allocation Issue  
Board File #: EB-2013-0421**

We are writing this letter to seek intervenor status and cost award eligibility in this proceeding on behalf of Canadian Manufacturers & Exporters (“CME”).

**1. CME and its Interest in this Proceeding**

CME is Canada’s leading business network. Its members represent 75% of manufactured output in the Province of Ontario, and 90% of all exports. CME is a not-for-profit organization funded by membership fees and revenues from the services it renders to Federal and Provincial Governments and Agencies to foster the development of national and international markets for its members. About 85% of CME’s 1,400 Ontario-based member companies are Small to Medium sized business Enterprises (“SMEs”) with 500 employees or less. The views of these businesses should be considered in this proceeding.

CME’s mandate and objectives, its membership and the constituency it represents, and the types of programs and activities by which it carries out its mandate, are described on CME’s website, [www.cme-mec.ca](http://www.cme-mec.ca). CME’s priority objectives related to Energy and the Environment are summarized in Attachment 1.

Electricity is a significant source of energy for the manufacturing sector. As a result, Ontario-based CME members seek an electricity system for Ontario that is one of the most reliable, cost effective and economically sustainable systems in North America.

**2. Nature and Scope of CME’s Intended Participation**

CME intends to participate actively in Phase 2 of this proceeding to ensure that the likely rate impacts on manufacturers of all cost allocation alternatives falling within the ambit of the generic cost allocation issues which the Board has framed by reference to the “beneficiary pays” principle

are clearly understood before the Board determines these issues. These generic cost allocation issues could have significant implications for manufacturers, including those served directly off transmission lines, those served by distributors directly connected to transmission lines, and those served by embedded distributors.

CME will make every effort to coordinate its participation in this proceeding with any others representing the interests of one or more manufacturers.

**3. Request for Written Evidence**

CME requests that a copy of the written evidence upon which the Application is based be provided to its counsel.

**4. Oral or Written Hearing of Phase 2**

An oral hearing, preceded by a written discovery process and a Settlement Conference, is the most efficient way of determining the generic cost allocation issues stemming from an application of the “beneficiary pays” principle.

**5. Request for Cost Eligibility**

CME intends to seek a cost award in this proceeding on the grounds that its ability to participate is dependent upon a determination that it is eligible for such an award. In many prior proceedings, the Board has determined that CME is eligible for a Cost Award.

**6. BLG’s Representation of CME**

Borden Ladner Gervais (“BLG”) represents CME under the auspices of a written retainer agreement executed by Ian Howcroft, Vice-President of CME’s Ontario Division. BLG’s mandate is to represent the interests of manufacturers in those Ontario Energy Board (“OEB”) proceedings which are likely to have an impact on the rates which Ontario manufacturers pay for utility services. Paul Clipsham, Director of Policy – Ontario Division of CME, is the individual with whom BLG liaises.

**7. CME Contacts**

If the relief sought in this letter is granted, then CME requests that further communications with respect to this matter be sent to the following:

Paul Clipsham Director of Policy – Ontario Division Canadian Manufacturers & Exporters 6725 Airport Road Suite 200 Mississauga, ON L4V 1V2  Tel (289) 566-9538 Fax (905) 672-1764 email <a href="mailto:paul.clipsham@cme-mec.ca">paul.clipsham@cme-mec.ca</a>	Borden Ladner Gervais LLP Barristers & Solicitors 100 Queen Street Suite 1300 Ottawa ON K1P 1J9  Main Fax: (613) 230-8842	Peter C.P. Thompson, Q.C. Tel (613) 787-3528 email <a href="mailto:pthompson@blg.com">pthompson@blg.com</a>  Vincent J. DeRose Tel (613) 787-3589 email <a href="mailto:vderose@blg.com">vderose@blg.com</a>  Emma Blanchard Tel (613) 369-4755 email <a href="mailto:eblanchard@blg.com">eblanchard@blg.com</a>
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Please contact the undersigned if the Board requires any further information in connection with these requests.

Yours very truly

Borden Ladner Gervais LLP



Peter C.P. Thompson

PCT\slc  
enclosure

c. Erin Henderson (Hydro One)  
Michael Engelberg (Hydro One)  
Paul Clipsham and Ian Shaw

OTT01: 6818970: v1

## **Attachment 1**

### **About CME and Its Representation in OEB Proceedings**

Canadian Manufacturers & Exporters (“CME”) is Canada’s leading business network. It represents more than 10,000 leading companies nationwide and through various initiatives, touches more than 100,000 companies from coast-to-coast, engaged in manufacturing, international trade, and service-related industries. More than 85% of its members are Small to Medium sized Enterprises (“SMEs”). In Ontario, CME has about 1,400 members representing about 75% of manufactured output and about 90% of all exports.

One of CME’s priorities is to improve the business climate for manufacturers. Initiatives pertaining to Energy and the Environment fall within the scope of this objective and include efforts by CME to ensure that its members enjoy continued access to a reliable and cost competitive supply of energy and electricity across Canada.

In this context, CME seeks an Ontario electricity system for its members which is reliable, affordable, cost effective and economically sustainable with electricity prices for Ontario manufacturers which are competitive with electricity prices available to manufacturers located elsewhere.

Similarly, CME seeks a secure supply of natural gas at burner-tip prices in the plants of Ontario manufacturers which are competitive with such prices for manufacturers located elsewhere.

For further information on CME, please visit their website at [www.cme-mec.ca](http://www.cme-mec.ca).

CME’s authorized representative in proceedings before the Ontario Energy Board (the “Board” or “OEB”) is Borden Ladner Gervais LLP (“BLG”) represented by Peter C.P. Thompson, Q.C. and Vincent J. DeRose, with support from other BLG associates. BLG’s representation of CME in proceedings before the Board is pursuant to a written retainer agreement executed on behalf of CME by Ian Howcroft, Vice-President – Ontario Division of CME.

BLG’s mandate is to represent the interests of manufacturers in those OEB proceedings which are likely to have an impact on the rates which Ontario manufacturers pay for utility services. Paul Clipsham, Director of Policy – Ontario Division of CME, is the individual with whom BLG representatives liaise.