

May 6, 2015

VIA RESS AND COURIER

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Re: EB-2013-0421: Hydro One Networks' (Hydro One) Leave to Construct Supply to Essex County Transmission Reinforcement (SECTR) Project (Project).

Comments on Hydro One Correspondence.

In its letter to the Board dated May 4, 2015 Hydro One states:

The Consumers Council of Canada, Energy Probe and Toyota Manufacturing Canada Inc., have requested that this application should proceed via an oral hearing. The E3 Coalition and Canadian Manufacturers and Exporters support the application proceeding through a technical conference.

It is not entirely clear to us what Hydro One means with the foregoing statement. To be clear, though, E3 Coalition maintains its earlier position (see our letter of February 12, 2015 in response to Procedural Order No. 3) that the Board provide for an oral hearing of Phase 2 of this proceeding, subject to reassessment following the close of interrogatories and the filing of evidence by intervenors. The suggested technical conference would also inform that determination. We note that CME has similarly indicated that an oral hearing would be appropriate (letter dated February 17, 2015).

In its letter Hydro One also proposes to constrain the scope of questions at the suggested technical conference. Hydro One suggests that questions regarding the load forecasts relied on by Hydro One in developing its cost allocation proposal, and questions regarding classification of assets, should be “out of scope” for the technical conference. E3 Coalition objects to any such constraints *ab initio*. As reflected in E3 Coalition’s interrogatories, an understanding of the load forecasts relied on by Hydro One in deriving the allocation of costs to the impacted distributors, and characterization of the assets involved to determine how the Board’s current versus the proposed cost allocation rules would operate, are matters integral to an understanding of, and ultimately formulation of a position on, the issues engaged by Hydro One’s proposal. It

is similarly premature to determine that DCF model issues are necessarily irrelevant to Phase 2 issues. Should Hydro One be of the view that any questions posed at a technical conference are irrelevant to Phase 2, it can object then, in context of the question; and if required the Board can determine relevance in context of the questions, the specific objection and the explanation of the relevance of the question by the party asking the question.

It also appears that Hydro One anticipates presentations of some sort at the proposed technical conference. E3 Coalition's proposal is for a technical conference to allow parties to ask questions of clarification on Hydro One's interrogatory responses. While we would not object to opening remarks by Hydro One or the IESO at the technical conference, our intention is to ask questions. Similarly, if Board Staff would like to offer some information (as suggested by Hydro One), we would not object to that, but asking questions of Hydro One (and, as appropriate, the IESO) is the point of our procedural suggestion.

We do agree that it would be appropriate for the IESO to provide for the attendance of someone at the technical conference who could address questions on the interrogatory responses associated with the IESO authored evidence filed in the support of the application

Finally, Hydro One suggests *"that if the E3 Coalition, or other parties, are planning to propose new cost allocation methodologies, that those methodologies be explored at this Technical Conference"*. As noted in our letter of April 29, 2015, a technical conference would allow E3 Coalition to clarify its understanding of Hydro One's cost allocation proposal and its implications and sensitivities, in order to allow the evidence that E3 Coalition will proffer to more directly and definitively address the issues engaged by Hydro One's proposal. That is, E3 Coalition's evidence will follow, and be informed by the information provided through, the suggested technical conference. If Hydro One or other parties feel that a further technical conference would be appropriate following the filing by E3 Coalition of its evidence, and the interrogatory process thereon, they are free to advance that suggestion at that time. E3 Coalition will not be advancing any alternative cost allocation proposals (or any other sorts of proposals) in advance of, or at, the proposed technical conference. That would be putting the cart before the horse.

We trust that these comments clarify E3 Coalition's views on the process that it has proposed.

Yours truly,



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