



September 30, 2016

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street,  
27th Floor  
Toronto ON  
M4P 1E4

**Hélène Cossette**  
Avocate

Hydro-Québec – Affaires juridiques  
4<sup>e</sup> étage  
75, boul. René-Lévesque Ouest  
Montréal (Québec) H2Z 1A4

Tél. : 514 289-3146  
Télec. : 514 289-6217  
C. élec. : [cossette.helene@hydro.qc.ca](mailto:cossette.helene@hydro.qc.ca)

[www.hydroquebec.com](http://www.hydroquebec.com)

**Re: Hydro One Networks Inc. 2017 and 2018 Transmission Cost-of-Service  
Application  
Board File No: EB-2016-0160**

Dear Ms. Walli:

H.Q. Energy Marketing (“HQEM”) commends the Ontario Energy Board Staff for giving us the opportunity to provide comments on the draft proposed issues list, which was originally sent on September 21, 2016 and discussed at the conclusion of the Technical Conference on September 23, 2016.

HQEM submits that the following issue should be removed from the proposed issues list:

*29. Is the Export Transmission Rate of \$1.85 and the resulting ETS revenues appropriate?*

HQEM notes that among the numerous interrogatories submitted to Hydro One, only the School Energy Coalition (“SEC”) mentioned the Export Transmission Service (“ETS”) rate. In its response to SEC’s interrogatories, Hydro One stated that changes to both Hydro One’s Network revenue requirement and forecast export volumes would need to be considered in adjusting the ETS rate. Basically, the proposed numbers would result in an average effective change to the ETS rate of - 0,5% over 2017 and 2018. Hydro One is proposing to maintain the rate at \$1.85/MWh.

As background information, in June 2013, the OEB, in a decision and order in EB-2012-0031 on 2013 export transmission service rates, sets the ETS rate at \$2.00/MWh and Hydro One was ordered to:

*«Prepare a cost allocation study involving the network assets utilized by export transmission customers and report the results of this study, including a proposal of the appropriate cost based ETS rate with supporting rationale, to the Board at its next transmission rates application. »*

Elenchus Research Associates was engaged to carry out the study and came up with a recommendation of a \$1.70/MWh to be implemented for 2015 and 2016 fee. In the case number EB-2014-0140, as per Hydro One's Settlement Agreement, which was approved by the OEB on December 2, 2014, all parties agreed to a reduction of the ETS rate to \$1.85/MWh.

At the light of the observations mentioned previously, and due to lack of mentions by other intervenors in their interrogatories, as well as in their technical conference interventions, the issue #29 seems to be a very minor issue and HQEM suggests that the issue #29 on the proposed issues list be removed from the list.

Sincerely

*Signed in the original*

Hélène Cossette