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3 October 2016

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

Dear Ms. Walli:

Re: EB-2016-0160 proposed issues list (“Draft Issues List”) for Hydro One Networks Inc. (“Hydro One”) application for electricity transmission revenue requirement and related changes to the Uniform Transmission Rates beginning January 1, 2017, and January 1, 2018 (the “Proceeding”)

We are counsel to Anwaatin Inc. (**Anwaatin**) in the Proceeding and have received Hydro One’s September 30, 2016, submissions objecting to the inclusion of Anwaatin’s proposed issue on the Draft Issues List. The following letter sets out Anwaatin’s reply for the Board’s consideration and the supporting letter of Chief Isadore Day of the Chiefs of Ontario (**COO**).

Anwaatin has proposed the inclusion of the following issue:

Has Hydro One undertaken adequate outreach and consultation with Indigenous communities and groups and are its current processes and procedures sufficient to do so? (the **Anwaatin Issue**).

Anwaatin is both surprised and puzzled by Hydro One’s objection to the Anwaatin Issue given: (i) the Board’s recently updated Filing Requirements for Electricity Transmission Applications (the **Filing Requirements**) and the requirements of the Transmission System Code (**TSC**); (ii) section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Sched. B, as amended (the **Act**); (iii) Hydro One’s own evidence in the Proceeding (the **Evidence**); and (iv) the importance of Indigenous customers and stakeholders in the changing corporate governance/ownership of Hydro One.

Filing Requirements and TSC. The Filing Requirements stipulate that Hydro One must file evidence on stakeholder engagement with **all** customer groups. This necessarily includes First Nations and Indigenous customers that have unique and disproportionate transmission service and reliability concerns. Specifically, section 2.3.2 of the Filing Requirements stipulates that:

The OEB expects that transmitters will initiate or continue customer engagement activities and provide a summary of those activities as part of the application.

*The Transmission System Code (TSC) defines customer as a generator, **consumer**, distributor or unlicensed transmitter whose facilities are connected to or are intended to be connected to the transmission system. The **TSC requires some communications and discussions with customers related to matters such as regional planning, connection procedures, testing and inspections, system performance and outages. The applicant's report should describe these and any other activities designed to engage all customers connected to the transmission system, including discussions related to investment planning and transmission rates and charges.***

Transmitters should specifically discuss how their customers were engaged in order to determine their needs, what their needs are, and how the application has responded to any identified needs. Applicants must separately report on the needs of end-use load customers (as distinct from regulated distributors) served directly from the transmission system, and explain how the transmitter's application responds to the needs of these customers. Similarly, any discussion of the needs of generator customers should be presented separately.

A report of customer satisfaction surveys undertaken and results of these surveys should be provided. Information on planned future customer engagement activities should also be detailed in this section. Transmitters may find Appendix 2AC in the Distribution Filing Requirements helpful in structuring this evidence.

Transmitters are expected to file with the OEB their response to the matters raised in any letters of comment sent to the OEB related to the transmitter's application. (emphasis added).

Anwaatin therefore submits that inclusion of the Anwaatin Issue is entirely consistent with the Filing Requirements and TSC.

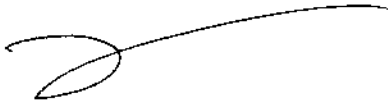
Section 78 of the Act. Section 78(1) of the Act stipulates that no transmitter may charge for the transmission of electricity except in accordance with an order of the Board. Section 78(3) of the Act stipulates that the Board may make orders approving or fixing **just and reasonable rates for the transmitting of electricity**. Anwaatin respectfully submits that transmission rates that are set without a thorough consideration of issues raised by, engagement with, and outreach to, Indigenous customers with significant transmission service and reliability concerns cannot be "just and reasonable".

The Evidence. The Evidence at Exhibit A, Tab 9, Schedule 1, touches upon stakeholder consultation, but does not address stakeholder engagement with Hydro One's First Nations and Indigenous customers that appear to be most vulnerable and impacted by outage and reliability concerns. Further, the Evidence at Exhibit C1, Tab 3, Schedule 3, page 11, states that **"[b]uilding relationships with First Nations and Metis communities based upon trust, confidence, and accountability is vital to achieving Hydro One's business objectives."** Moreover, the Evidence at Exhibit I, Tab 10, Schedule 1 relates to Hydro One's engagement and consultation with First Nations and Indigenous communities. The Anwaatin Issue is therefore relevant to and a part of the Evidence. In the event that the Anwaatin Issue is not included in the Draft Issues List, it would put Anwaatin and other intervenors in the untenable position of having evidence on the record, but no ability to examine Hydro One on it. Anwaatin submits that such an outcome is inconsistent with each and all of the Board's customer

protection objectives, Anwaatin's ability to participate fully and effectively in accordance with the rights afforded by the principle of *audi alterem partem*, and procedural fairness that supports the Board's reputation and decision-making.

Changing Corporate Governance/ Ownership. On July 12, 2016, the Government announced an agreement-in-principle to sell up to 2.5% of outstanding shares (15 million shares) of Hydro One Limited to Ontario First Nations in order to ***promote stronger economic relations*** and promote ***healing and reconciliation with Indigenous Peoples***. Anwaatin submits that Hydro One's objection to the Anwaatin Issue is antithetical to the spirit and intent of the agreement-in-principle and is not conducive to its efficient and effective implementation. Anwaatin therefore respectfully requests that Hydro One reconsider its position on the Anwaatin Issue and that the Board include the Anwaatin Issue on the final Issues List.

Yours truly,

A handwritten signature in black ink, appearing to be 'Lisa (Elisabeth) DeMarco', written in a cursive style.

Lisa (Elisabeth) DeMarco