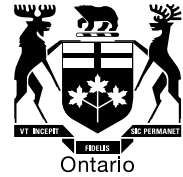


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BY E-MAIL

October 18, 2016

To: All registered intervenors, EB-2016-0160

**Re: Hydro One Networks Inc. Transmission Revenue Requirement and Rates
Application 2017 & 2018
Board File Number: EB-2016-0160
OEB staff submission on Environmental Defense Motion for Full and
Adequate Interrogatory Responses**

On September 29, 2016, Environmental Defence (ED) filed a motion to compel Hydro One to provide full and adequate responses to specific interrogatories. On September 28, 2016, the School Energy Coalition (SEC) also filed a motion for full and adequate interrogatory responses. Procedural Order #3, issued on October 12, 2016, provided for OEB staff submissions on these motions. OEB staff is filing submissions on the ED motion.

The issues raised by ED relate to transmission line losses and import constraints. OEB staff submits that these issues are important from a system planning, operational efficiency and benchmarking perspectives. Transmitters are to file integrated system plans with their applications, which would include the issues of line losses and import constraints as appropriate planning criteria.

OEB staff submits that the appropriateness of Hydro One's Transmission System Plan (which is an essential component for the efficient operation of Ontario's transmission system) is at issue in this proceeding. Therefore, issues such as the measurement of line losses and the exploration of cost effective ways to reduce losses, as well as Hydro One's ability to deal with future imports and exports of power, are relevant to this proceeding.

The issues raised by ED in the interrogatories that are the subject of the motion include:

- The actual import and export capacity of its assets and the constraints on its system that define that capacity.
- Data on historical transmission losses, including peak period losses for the past 10 years.

- Average transmission energy losses for other transmission companies in the United States and Canada.
- Data on various sources of transmission energy losses and if there are regional variations.
- Annual estimated cost of line losses for Hydro One for each of the past 10 years.

OEB staff submits that Hydro One has not adequately responded to these interrogatories. OEB staff submits that while some of the information may take considerable time to produce, Hydro One should make best efforts to provide any information that it can reasonably acquire in the allotted time and/or provide more complete and informative responses, including thorough explanations as to why certain information is unavailable or irrelevant to this proceeding, as applicable.

Original Signed by

Harold Thiessen
Ontario Energy Board staff
Case Manager, EB-2016-0160