

McCarthy Tétrault LLP
PO Box 48, Suite 5300
Toronto-Dominion Bank Tower
Toronto ON M5K 1E6
Canada
Tel: 416-362-1812
Fax: 416-868-0673

Gordon M. Nettleton
Partner
Email: gnettleton@mccarthy.ca

**mccarthy
tétrault**

November 18, 2016

VIA RESS AND COURIER

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

Dear Ms. Walli:

RE: EB-2016-0160 Hydro One Networks Inc. (“Hydro One”) Transmission Rates Application – Response to Letter filed by Environmental Defence on November 17, 2016

Hydro One is in receipt of the letter filed by Environmental Defence (“ED”) on November 17, 2016 and provides the following comments for the Ontario Energy Board’s (“**Board**”) consideration:

- (a) Much of the content of ED’s letter takes the form of argument. Such submissions are not appropriate at this stage of the process.
- (b) Hydro One disagrees with ED’s suggestion that Hydro One’s recent evidence filing was not responsive to the Board’s order released on November 1, 2016 on the Motions filed by ED and SEC (“**Motions Decision**”). By ED’s own admission, the Motions Decision provides that Hydro One could either provide the estimates of transmission losses and their cost, or “explain why these estimates either cannot be provided or are otherwise inappropriate”. In its Additional Evidence filed on November 10, 2016 (“**Additional Evidence**”), Hydro One did exactly that.
- (c) ED’s allegation that Hydro One’s Additional Evidence is “seriously flawed” is a matter that ought to be considered and tested through cross examination in the oral hearing portion of this proceeding. Testing Hydro One’s evidence is the purpose of the oral hearing.
- (d) Hydro One takes no position with respect to ED’s request to file reply evidence. The issue of transmission losses being considered in this rates proceeding has been highlighted by Board Staff and accepted by the Board. Determining whether additional evidence is required to address this issue is a matter within the Board’s purview.

Hydro One does, however, note its concern with the potential time and delay that this step would cause. Hydro One believes that based on the record thus far, the parties' positions are well understood and that the remaining oral portion of this proceeding will provide an appropriate basis for the Board to hear and consider these matters further.

Yours truly,

McCarthy Tétrault LLP

Per:



For: Gordon M. Nettleton
GMN