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Vice President
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BY COURIER

November 25, 2016

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON, M4P 1E4

Dear Ms. Walli:

EB-2016-0082 Hydro One Networks Inc.

**Distribution Rate Application – Former Service Areas of Woodstock Hydro Services Inc,
Norfolk Power Distribution Inc, Haldimand County Hydro Inc.**

Hydro One Networks Inc. (“**Hydro One**”) submitted a Distribution Rate Application on October 18, 2016 for each of the former service territories of Woodstock Hydro Services Inc, Norfolk Power Distribution Inc, and Haldimand County Hydro Inc. Subsequently, on November 11, 2016 Hydro One submitted responses to a number of questions from Board Staff. Following which Board Staff contacted Hydro One seeking additional clarification with two questions. With this letter Hydro One is submitting responses to these questions along with three updated excel file attachments.

If further clarification or additional information is needed please feel free to contact us at Regulatory@HydroOne.com at any time.

Sincerely,

ORIGINAL SIGNED BY HENRY ANDRE ON BEHALF OF ODED HUBERT

Oded Hubert

Hydro One Networks Inc.

**Former Service Areas of Woodstock Hydro Services Inc., Norfolk Power,
Haldimand County Hydro Inc.**

Application Analysis (EB-2016-0082) – Follow-up

Question 1

Ref: Continuity Schedules for Woodstock Hydro, Norfolk Power and Haldimand County Hydro

Hydro One provided continuity schedules for the former service areas of Woodstock Hydro, Norfolk Power and Haldimand Country Hydro. OEB staff notes that all continuity schedules begin with the Group 1 balances as at December 31, 2015.

The directions provided on Tab 3 of the Rate Generator Model state:

If you have received approval to dispose of balances from prior years, the starting point for entries in the schedule below will be the balance sheet date as per your general ledger for which you received approval. For example, if in the 2016 EDR process (CoS or IRM) you received approval for the December 31, 2014 balances, the starting point for your entries below should be the 2013 year.

Please provide updated continuity schedules for each of Haldimand County Hydro, Woodstock Hydro and Norfolk Power in accordance with the directions above.

Response:

Three excel files have been included as Attachment 1, 2, 3 for Haldimand County Hydro, Norfolk Power and Woodstock Hydro, respectively. The continuity schedules have been completed, as requested, for each.

Question 2

Ref: Haldimand County Hydro Inc. – Tab 3 - Continuity Schedule

With respect to Account 1588 - Power, the total balance of -\$1,718,248 alone is 4 times the disposition threshold. While the deferral and variance account balances are audited, balances of this magnitude may put into question whether amounts have been properly allocated between accounts. Please provide an analysis of the accumulation of the balance in Account 1588.

Response:

As noted in the question, these account balances have been audited and are the amounts the Hydro One Networks Inc. recorded in its financial systems at the time Haldimand was integrated into Hydro One operations. Hydro One has again reviewed the accounts and believes that the amounts have been reported appropriately. Hydro One has discussed the accounts in question, including the accounting processes used and the account balances, with the former Haldimand County Hydro staff who were responsible for the accounting and reporting of these accounts prior to integration with Hydro One in 2016. Haldimand County Hydro staff have followed the accounting procedures as directed in Article 490 of the OEB's Accounting Procedures Handbook with respect to tracking the balances in this account.