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November 29, 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 – Responses to Undertaking J1.5 and Undertaking J2.7**


Hydro One's responses to Undertakings J1.5 and J2.7 are enclosed.

Yours truly,

McCarthy Tétrault LLP

Per:



 Gordon M. Nettleton
GMN

UNDERTAKING – J1.5

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Undertaking

To provide Hydro One's understanding of "fundamental change".

Response

Section 2.5 of the Governance Agreement incorporates by reference the definition of “fundamental change” from Part XIV of the *Business Corporations Act* (Ontario). For reference, the Governance Agreement was provided as Attachment 1 to Exhibit I, Tab 2, Schedule 6.

UNDERTAKING – J2.7

Undertaking

To provide the dollar figures.

Response

Please see below the numbers underlying the graphs on page 3 of Exhibit TCJ2.20.

Table 1: Transmission Capital Expenditures

	\$M Net							
	Candidate Investments		Optimization		Internal Stakeholder Engagement		Executive Approval	
	2017	2018	2017	2018	2017	2018	2017	2018
Sustaining	934	1,003	748	847	777	842	777	842
Development	187	186	177	164	196	170	196	170
Operating	28	37	25	31	25	31	25	31
Common Corporate	73	80	73	84	74	74	74	74
Other	4	5	4	5	4	5	4	5
Total	1,226	1,311	1,027	1,131	1,076	1,122	1,076	1,122

Table 2: Capital Investment Trade-Offs

	% Change from Candidate Investment							
	Candidate Investments		Optimization		Internal Stakeholder Engagement		Executive Approval	
	2017/18		2017/18		2017/18		2017/18	
Sustaining	0%		-18%		-16%		-16%	
Development	0%		-9%		-2%		-2%	
Operating	0%		-15%		-15%		-15%	
Common Corporate	0%		2%		-3%		-3%	
Other	0%		0%		0%		0%	