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**December 13, 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 Undertaking J09.13**

Hydro One's response to Undertaking J09.13 is enclosed.

Yours truly,

**McCarthy Tétrault LLP**  
Per:



 Gordon M. Nettleton  
GMN

**UNDERTAKING – J9.13**

**Undertaking**

To provide the budgeted costs on the metrics for each of the years requested. (Ref: Exhibit B2-1-1, Table 3)

**Response**

Below are the budgeted costs per unit that are available.

<b>LOB</b>	<b>Unit Metric</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Forestry	\$/ brush control costs per hectare cleared	1,429	1,478	1,408	1,431
	\$/ line km	1,536	1,679	1,882	1,912
Lines	\$/ wood structure replacement	40,351	37,941	36,353	37,059

The following measures did not have cost per unit budgets.

<b>LOB</b>	<b>Unit Metric</b>	<b>Reason</b>
Lines	\$/ Wood Structure condition assessment	Units were not historically budgeted.
	\$/ 115 kV tower coated	Not previously measured.
	\$/ 230 kV tower coated	Not previously measured.
Network Operating	\$/Cable Located	Is budgeted at a higher organizational level.

Note that these budgeted cost per units and the actual cost per units provided in Table 3 of Exhibit B2, Tab 1, Schedule 1 are in gross dollars. Gross dollars provides the most consistent view to measuring changes in cost per unit from year to year. Net cost per unit would have other factors like removals and capital contributions that would skew the results.

Witness: Brad Bowness