

**mccarthy  
tétrault**

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

December 16, 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 J12.3**

Hydro One's response to Undertaking J12.3 is enclosed.

Yours truly,

**McCarthy Tétrault LLP**

Per:



 Gordon M. Nettleton  
GMN

**UNDERTAKING – J12.3**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11

**Undertaking**

To provide a breakdown of actuals into the two categories that were provided in the interrogatory response. (Ref.: Exhibit I-2-30)

**Response**

Please see the breakdown of the variance between the actual ROE and the allowed ROE below.

| <b>Actual vs. Allowed - ROE</b> | <b>2012</b>  | <b>2013</b>  | <b>2014</b>  |
|---------------------------------|--------------|--------------|--------------|
| Property tax rebate             | 0.0%         | 0.8%         | 0.0%         |
| Insurance (flood proceeds)      | 0.0%         | 0.0%         | 0.2%         |
| OM&A                            | 0.3%         | 0.2%         | 0.6%         |
| Depreciation                    | 0.5%         | 0.7%         | 0.9%         |
| In-service                      | 0.3%         | 0.2%         | 0.3%         |
| Other - Weather                 | 1.9%         | 2.4%         | 1.8%         |
| <b>Total Over Earn</b>          | <b>2.99%</b> | <b>4.29%</b> | <b>3.76%</b> |

12