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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 J12.5**


Hydro One's response to Undertaking J12.5 is enclosed.

Yours truly,

McCarthy Tétrault LLP

Per:



 Gordon M. Nettleton
GMN

UNDERTAKING – J12.5

Undertaking

To provide the total cost of the board of directors broken down by business unit by year.

Response

The tables below outlines total labour and non-labour cost for both the Board of Directors and Hydro One Chair. Also included are the allocations across Hydro One Transmission, Hydro One Distribution and other segments.

Compensation for the Chair of the Board and Board Directors can be taken in either cash or as Director Deferred Share Units (“DSUs”). At a minimum, 50% must be taken through DSUs, up to a maximum of the full 100%. The percentage allocation can be altered annually. At the time of filing Hydro One’s current transmission rate application, allocations for test years 2017 and 2018 have not been determined. However the impact on revenue requirement is neutral from a costing perspective. In 2016, approximately 79% of compensation will be taken as DSUs.

	2012		2013		2014		2015		2016	2017	2018
	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Plan	Plan	Plan
Board of Directors (I-13-18)	1.7	1.5	1.7	1.5	1.6	1.9	3.7	1.9	4.2	3.4	3.4
• Board of Directors Labour	0.7	0.7	0.7	0.7	0.7	0.7	2.5	0.7	2.1	2.1	2.1
• Board Directed Audit Contracts	1.0	0.8	1.0	0.8	0.7	1.1	1.1	1.1	1.1	1.1	1.1
• Non-Labour Cost	0.0	-	0.1	-	0.1	0.1	0.1	0.1	0.2	0.2	0.2
• Ombudsman Office									0.8		
Allocation Tx	49%		49%		49%		50%		41%	41%	41%
Allocation Dx	49%		49%		49%		48%		52%	52%	52%
Allocation Other	2%		2%		2%		2%		7%	7%	7%

*Ombudsman office originally mapped to Board cost centre in 2016, but re-assigned to Chair cost centre for test years

	2012		2013		2014		2015		2016	2017	2018
	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Plan	Plan	Plan
Hydro One Chair (I-13-18)	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.6	1.7	1.8
• Hydro One Chair Labour	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.5	0.3	0.3
• Hydro One Chair Non-Labour	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0
• Ombudsman Office										1.4	1.4
Allocation Tx	53%		54%		53%		54%		53%	53%	53%
Allocation Dx	41%		41%		41%		40%		42%	42%	42%
Allocation Other	6%		4%		6%		6%		5%	5%	5%

Witness: Joel Jodoin