

EMMA BLANCHARD
T 613.369.4755
eblanchard@blg.com

Borden Ladner Gervais LLP
World Exchange Plaza
100 Queen St, Suite 1300
Ottawa, ON, Canada K1P 1J9
T 613.237.5160
F 613.230.8842
blg.com

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Borden Ladner Gervais

Our File No. 339583-000237

By electronic filing

October 16, 2017

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
27th floor
Toronto, ON M4P 1E4

Dear Ms. Walli

**Re: EB-2016-0160- Comments of Canadian Manufacturers and Exporters on
Hydro One Transmission 2017-2018 Draft Rate Order
Board File No.: EB-2016-0160**

We are solicitors for Canadian Manufacturers and Exporters (“CME”) in the above referenced proceeding. Pursuant to the Decision and Order, these are CME’s comments on the draft rate order (“DRO”) filed by Hydro One Networks Inc. (“Hydro One”).

With respect to the tax adjustment, CME has had the benefit of reviewing the detailed submissions of SEC, as well as requests for clarification by Board Staff and others with respect to the impact of updated information provided by Hydro One in response to the Board’s Order.

In its Decision, the Board articulated a methodology designed to achieve a reasonable balance between the interests of utility ratepayers and shareholders in the allocation of future tax savings, taking into consideration benefits already received by ratepayers in the past. CME urges the Board to review the DRO in light of the submissions of SEC and the additional information requested by Board staff to ensure that the DRO as approved by the Board properly reflects the spirit and intent of the Decision and Order in this regard.

CME also shares the concerns articulated by other intervenors, including SEC, AMPCO, CCC and LMPA with respect to the implementation of capital expenditure reductions specifically with regards to the limited reductions proposed in the sustaining category, given the focus on this aspect of the capital plan the Board’s decision, and the relatively small reduction to in-service capital additions compared to the reductions in overall capital expenditures.

CME respectfully requests that the Board require Hydro One to provide a more detailed rationale with respect to the above described aspects of the DRO.

Yours very truly,

Borden Ladner Gervais LLP



Emma Blanchard

c. EB-2016-0160 Intervenor
Paul Clipsham (CME)

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