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Our File No. 163660

**VIA RESS, EMAIL AND COURIER**

Ontario Energy Board  
2300 Yonge Street  
27th Floor  
Toronto, Ontario  
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Attention: Kirsten Walli,  
Board Secretary

Dear Ms. Walli:

**Re: EB-2016-0160: Hydro One Networks Inc., Transmission Cost of Service Application**

I am writing to explain BOMA's cost claim and to object to HONI's suggestion that the claim "be further reviewed by the Board".

First, BOMA spent a great deal of time examining the corporate income tax and departure tax issues. These issues involved very large amounts of money, in the hundreds of millions over a number of years, to be allocated among shareholders and ratepayers. The Board recognized the importance of this issue before launching the proceeding and specifically requested that parties make submissions on this issue. BOMA and SEC both made extensive submissions, asked interrogatories, and conducted extensive cross examinations. They were the only intervenors to do so. BOMA led off the cross examination on this issue, and through its questions, facilitated the Board's focus on this issue, which led to a very detailed and comprehensive analysis of the treatment of this issue in its decision. The Board decided to allocate part of the corporate income tax savings from the "bump up" to ratepayers. BOMA did extensive research on this issue, including a detailed review of HONI's financial statements, prospectuses, and the proceedings of the Committee on Estimates of the Ontario legislature, when the Committee examined the privatization of HONI, particularly with regard to the departure tax. This research supported both its cross examination and its argument.

Moreover, BOMA's argument also provided a detailed analysis of HONI's efforts to reflect customer needs and preferences in determining its budget priorities, the magnitude of its accelerated increase in proposed capital spending relative to historical periods, the fact that the program was not forecast to result in any increase in reliability, and problems with the "reliability risk" concept.

Given the breadth of the issues BOMA addressed in its argument, BOMA does not believe the hours devoted to the argument were excessive.

Yours sincerely,

**FOGLER, RUBINOFF LLP**



Thomas Brett

TB/dd

cc: Harold Thiessen, OEB (*via email*)  
Frank D'Andrea, HONI (*via email*)  
Gordon M. Nettleton, McCarthy Tétrault (*via email*)  
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