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Our File # 339583-000244

By electronic filing

February 26, 2018

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

Dear Ms. Walli

**Re: Hydro One Networks Inc. (“Hydro One”)
2018-2022 Distribution Custom IR Application
Board File #: EB-2017-0049**

We are writing on behalf of Canadian Manufacturers & Exporters (“CME”).

Pursuant to Procedural Order No. 2, CME wishes to provide notice to Hydro One that it will have follow up questions during the Technical Conference scheduled for March 1-2, 2018 regarding the following topics:

B – Custom Application

- Issue 7 - Is Hydro One’s proposed Custom Incentive Rate Methodology, using a Revenue Cap Index, consistent with the OEB’s Rate Handbook?
- Issue 8 - Is the proposed industry-specific inflation factor, and the proposed custom productivity factor, appropriate?
- Issue 9 - Are the values for the proposed custom capital factor appropriate?

D – Distribution System Plan

- Issue 29 - Are the proposed capital expenditures resulting from the Distribution System Plan appropriate, and have they been adequately planned and paced?

E – Rate Base and Cost of Capital

- Issue 34 - Are the inputs used to determine the working capital component of the rate base and the methodology used appropriate?

G – Revenue Requirement

- Issue 44 - Is Hydro One's proposed depreciation expense for 2018 and further years appropriate?
- Issue 45 - Are the proposed other revenues for 2018 – 2022 appropriate?

H – Load and Revenue Forecast

- Issue 47 - Are the customer and load forecasts a reasonable reflection of the energy and demand requirements for 2018 – 2022?

CME also reserves the right to pose additional questions in response to answers given by Hydro One during the Technical Conference.

Yours very truly,

Borden Ladner Gervais LLP



Scott Pollock

- c. Erin Henderson and Anne-Marie Reilly (Hydro One)
Gordon Nettleton and George Vegh (McCarthy Tetrault LLP)
EB-2017-0049 Intervenors
Paul Clipsham and Ian Shaw (CME)

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