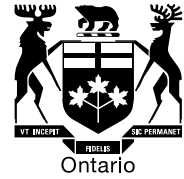


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BY E-MAIL

June 27, 2018

To: All Parties to EB-2017-0049

**Re: Hydro One Networks Inc.
Application for Rates
Board File Number EB-2017-0049**

On June 7, 2018, Hydro One Networks Inc. (Hydro One) sent a letter to the OEB further to the OEB's report dated September 14, 2017 titled *Regulatory Treatment of Pension and Other Post-employment Benefits (OPEBs) Costs* (EB-2015-0040).

Hydro One noted that it had filed its distribution rates application (EB-2017-0049) on March 31, 2017 and had intended to submit its proposal on the treatment of OPEB expenses in a subsequent application, but after further review, Hydro One suggested that it would have been more appropriate to make a submission as part of the present application. Hydro One then suggested a process that could be used to deal with this matter as part of the EB-2017-0049 hearing. Failing this, Hydro One submitted that the final determination of this process could be dealt with at the time of requested disposition of the carrying charges account.

The OEB notes that this matter is an issue that is relevant to both Hydro One Distribution and Transmission, and would therefore be best addressed in Hydro One's upcoming transmission filing where the OEB can order remedies that will apply to both transmission and distribution.

The OEB asked Hydro One if doing so would place any limitations on the OEB's discretion, and whether the full range of possibilities available now would still be available if this matter is dealt with later.¹ Hydro One responded that it did not believe

¹ EB-2017-0049 Transcript Volume 1, p.195, L 22 - p.196, L13

that any restrictions or constraints would be placed on the OEB's ability to address this issue for both transmission and distribution in the transmission proceeding.² On this basis, the OEB will not further consider this matter in the current proceeding.

Yours truly,

Original Signed by

Kirsten Walli,
Board Secretary

² EB-2017-0049 Transcript Volume 2, p.1, L 13 - p.2, L22