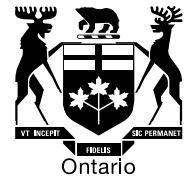


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BY E-MAIL

July 26, 2018

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

Dear Ms. Walli:

**Re: Anwaatin Inc. Notice of Motion for Review and Variance, EB-2016-0160
Hydro One Networks Inc. 2017-2018 Transmission Revenue Requirement
and Charge Determinant Application
Board File Number: EB-2017-0335
Ontario Energy Board Staff Submission**

On June 15, 2018, Anwaatin Inc. (Anwaatin) filed a settlement proposal in which Anwaatin and Hydro One Networks Inc. (Hydro One Networks) have reached agreement on several issues, each of which has been fully settled.

Ontario Energy Board (OEB) staff has reviewed the settlement proposal and notes that if it is accepted by the OEB, there will be no impact on the 2018 transmission revenue requirement approved by the OEB.¹ The settlement proposal states:

- Hydro One Networks will undertake a pilot project that is intended to explore the feasibility of implementing non-wires distributed energy projects in and around the Anwaatin First Nations communities as a means to improve reliability in remote and radial areas of Hydro One Networks' system.
- It was also agreed that Hydro One Networks' investment in the pilot project shall not exceed \$5 million and would be funded from Hydro One Networks' distribution capital investment plan.
- Information on the sizing of the energy storage, siting alternatives and preliminary cost information is to be provided by Hydro One Networks as part of the current distribution rate application proceeding.²

¹ EB-2016-0160

² EB-2017-0049

OEB staff supports the settlement proposal and notes that as the pilot project could potentially have learnings that can benefit other regions in Hydro One Networks' service territory including it in the distribution capital investment plan is reasonable. OEB staff intends to further review the details of the pilot project during Hydro One Networks' ongoing distribution rate application proceeding.

Yours truly,

Original Signed By

Jane Scott
Manager, Major Applications

cc All Parties, EB-2017-0335