

Hydro One Networks Inc.

7th Floor, South Tower
483 Bay Street
Toronto, Ontario M5G 2P5
www.HydroOne.com

Tel: (416) 345-5680
Cell: (416) 568-5534
frank.dandrea@HydroOne.com



Frank D'Andrea

Vice President, Regulatory Affairs & Chief Risk Officer

BY COURIER

January 15, 2019

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Walli,

EB-2017-0182 and EB-2017-0364 – Applications for leave to construct an electricity transmission line between Thunder Bay and Wawa, Ontario

On December 20, 2018, the OEB issued a Decision and Order in the above-referenced applications, requesting that both NextBridge and Hydro One file a not-to-exceed (NTE) price with you no later than January 31, 2019. The Decision asked each applicant to file its “NTE price by completing Schedule E with no attachments permitted”.

Schedule E represents the capital costs to construct the new line. The Decision also stated that the final decision will be based on the lowest cost to construct the line. The Board also stated that OM&A costs will not be a determinant factor in granting leave to build the transmission line but would, rather, be assessed for approval in subsequent revenue requirement applications.

Hydro One is concerned that the submission of Schedule E on its own, without having the applicants provide explanations for any material changes in costs from those provided in the hearing process, could result in harm to ratepayers in future years by, for example, taking steps such as shifting costs from capital to OM&A that would ultimately increase future revenue requirements sought for approval.

Therefore, we request that the Board consider requiring the applicants to provide a brief explanation for any material changes in their costs from the dollar amounts provided as part of the hearing, and to confirm that such changes will not negatively impact future revenue requirements, relative to the evidentiary record. Hydro One believes that these change explanations would be an aide to the Board in making a decision which best-serves rate payers in a transparent manner.



An electronic copy of this has been filed through the Board's Regulatory Electronic Submission System (RESS).

Sincerely,

ORIGINAL SIGNED BY FRANK D'ANDREA

Frank D'Andrea