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BY EMAIL

March 15, 2019

Ms. Joanne Richardson
Director, Major Projects and Partnerships, Regulatory Affairs
Hydro One Networks Inc.
7th Floor, South Tower
483 Bay Street
Toronto ON M5G 2P5

Dear Ms. Richardson:

**Re: Niagara Reinforcement Limited Partnership – Applications for 2019 Interim Revenue Requirement and Electricity Transmitter Licence, and for Approval of Sale of Transmission Assets by Hydro One Networks Inc.
OEB File Numbers EB-2018-0275, EB-2018-0276 and EB-2018-0277**

In the Fall of 2018, Hydro One Networks Inc. (HONI) and Niagara Reinforcement Limited Partnership (NRLP), referred to here as the Applicants, filed three interrelated applications with the Ontario Energy Board (OEB):

- An application for the issuance of an electricity transmission Licence to NRLP (EB-2018-0277)
- An application for approval of the sale of transmission assets by HONI to NRLP (EB-2018-0276)
- An application for approval of a NRLP revenue requirement on an interim basis related to the transmission assets being acquired from HONI. One element of this application was a request for approval of an interim revenue requirement effective January 1, 2019, which would then be included in the calculation of the 2019 Uniform Transmission Rates (UTRs) in order to provide monthly revenue for NRLP in advance of the transmission assets going into service. At the time of the application, NRLP expected the transmission assets to be placed in service by HONI on May 31, 2019 and sold to NRLP on or about June 1, 2019 (EB-2018-0275).

In its December 20, 2018 decision¹ on the request for an interim revenue requirement effective January 1, 2019, the OEB found that NRLP's request was premature, and was therefore not approved. The OEB advised that it will consider NRLP's full application and address the request for approval of a revenue requirement on an interim basis in due course.

The OEB found that it was not necessary for NRLP's proposed revenue requirement to be made interim several months in advance of the expected in-service date for the transmission assets, and that there is another opportunity for NRLP's revenue requirement to be included in the final 2019 UTRs, if appropriate.

On March 1, 2019, HONI filed a letter on its own behalf and on behalf of Hydro One Indigenous Partnerships Inc. (HOIP), the General Partner of NRLP, in which the OEB's December 20, 2018 decision on the January 1st interim revenue requirement request is characterized as having "found that the application for revenue effective January 1, 2019 was premature but that the application could be heard later in the year." The OEB's December 20, 2018 decision did not suspend this application or the two related ones.

In the March 1, 2019 letter, it was noted that HOIP intends to update the application for an interim revenue requirement for the partial year of 2019 once the in-service date for the transmission assets is finalized. HOIP and HONI have requested that all three applications be heard concurrently. They advised that "Once we have confidence in the in-service date of the new transmission line, HONI will notify the Board to restart the applications and will also update the s.78 application request for interim rates accordingly."

The OEB understands the March 1, 2019 letter to be a request by the Applicants that the three applications be held in abeyance until they are in a position to update the applications and advise the OEB that they are ready to proceed.

The OEB grants the Applicants' request, and will hold all three applications in abeyance until such time as the Applicants request that the OEB proceed with the applications or until the Applicants re-file the subject applications.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary

¹ EB-2018-0275