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**Susan Frank**

Vice President and Chief Regulatory Officer  
Regulatory Affairs



BY COURIER

July 21, 2008

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

Dear Ms. Walli:

**EB-2008-0113 – Hydro One Networks' 2009 Uniform Transmission Rate Adjustment**

Re: Hydro One's reply submission addressing the Comments of the Vulnerable Energy Consumers Coalition (VECC) dated July 9, 2008.

In VECC's submission of July 9, 2008 they state that they do not take issue with the calculations provided or the revenue shares for the four Ontario transmitters. They do suggest that the Board should require Hydro One to report regarding the actual amount repaid to customers in connection with the Excess Sharing Mechanism amount of \$56.7M, paid over two years.

VECC may recall that on page 2 of the Board's decision on the Revenue Requirement and Charge Determinant Order Arising from the EB-2006-0501 Decision with reasons, dated September 28, 2007 it stated that:

The Company was also directed to file an exhibit "...which includes the calculation of the uniform transmission rates, charge determinants and revenue shares resulting from this decision. This exhibit will be used in the uniform transmission rates proceeding to establish the Ontario Transmission Rates."

Hydro One therefore, incorporated the disposition of the \$56.7M re-payment to customers in their calculation of the Uniform Transmission Rates as directed by the Board. There is no deferral account that is keeping an actual tally of the dollars.

Hydro One did undertake a comparison of the forecasted Hydro One transmission billing charges from November 1, 2007 until May 31, 2008 (latest billing period) with the actual transmission billing charges during the same period and found that they were less than 0.5% different from each other. This clearly

demonstrates that the actual dollars being re-paid each month are the same as the estimated re-payment amount of \$56.7M. Hydro One is confident that this seven month period is a good representation of the complete 14 months.

Therefore the full \$56.7M re-payment will be complete at the end of December 2008.

Sincerely,

ORIGINAL SIGNED BY SUSAN FRANK

Susan Frank