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Karen Taylor Senior Director, Applications Delivery Regulatory Affairs



BY COURIER

March 3, 2017

Ms. Miriam Heinz Regulatory Coordinator Independent Electricity System Operator 120 Adelaide Street West, Suite 1600 Toronto, ON, M5H 1T1

Dear Ms. Heinz:

Re: Hydro One Remote Communities Inc. - Letter of Comment

Hydro One Remote Communities Inc. ("Remotes") is preparing to file a Cost of Service ("CoS") rate application for 2018. As part of this application, Remotes will be including a Distribution System Plan ("DSP") which must be accompanied by a letter of comment from the Independent Electricity System Operator ("IESO").

Remotes' application is subject to the Ontario Energy Board's ("OEB") Filing Requirements for Electricity Transmission and Distribution Rate Applications. These requirements (Chapter 5) indicate the OEB expects the IESO comment letter will include:

- the applications it has received from renewable generators through the [Feed-in Tariff] ("FIT") program for connection in the distributor's service area;
- whether the distributor has consulted with the IESO, or participated in planning meetings with the IESO;
- the potential need for co-ordination with other distributors and/or transmitters or others on implementing elements of the Renewable Energy Generation ("REG") investments; and
- whether the REG investments proposed in the DSP are consistent with any Regional Infrastructure Plan.



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In regards to the above points and the letter of comment, please note that:

- Remotes' service area is not eligible for the FIT program and, therefore, there are no FIT applications for connection in Remotes' service area;
- Remotes routinely consults with the IESO on various matters as appropriate;
- Each of the communities served by Remotes is electrically isolated and not connected to the bulk transmission system. Therefore co-ordination with other distributors and/or transmitters on implementing REG investments is not necessary.
- The Remote Community Connection Plan is still under development for Remotes' region.

Remotes respectfully requests a letter of comment from the IESO addressing these points, as appropriate, by April 3rd, 2017. If you have any questions, or require additional information, please contact our Regulatory Affairs group at <u>Regulatory@HydroOne.com</u>.

Sincerely,

Karen Taylor

Senior Director, Applications Delivery Regulatory Affairs