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**Susan Frank**  
Vice President and Chief Regulatory Officer  
Regulatory Affairs

BY COURIER

October 30, 2008

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

**EB-2008-0272 – Hydro One Networks' 2009-2010 Transmission Revenue Requirement & Rate Application – Proposed Issues List**

Hydro One Networks Inc. ("Hydro One") is providing a proposed issues list for the Company's 2009-2010 Transmission Revenue Requirement and Rate Application which was filed with the Board on September 30, 2008.

The attached issues list covers topics the Company believes will be the prime areas for focus during the hearing and reflect discussions with stakeholders during the stakeholder sessions. As a result, items have not been included as issues if:

- they were identified during the stakeholder sessions as not being of concern
- issues related to the use of a methodology reviewed and accepted by the Board in a previous proceeding
- issues related to evidence where there is not a material change from the evidence reviewed as part of a previous rate application
- issues where the evidence is based on external consensus forecasts

Hydro One believes the proposed issues list will assist in focusing the oral hearing on the key issues in the Application.

Sincerely,

ORIGINAL SIGNED BY SUSAN FRANK

Susan Frank

Attachment

**Hydro One Networks Inc.**

**2009-2010 Transmission Application Proceeding EB-2008-0272**

**Proposed Issues List**

**1. ADMINISTRATION (Exhibit A)**

- 1.1 Has Hydro One responded appropriately to all relevant Board directions from previous proceedings as described in Exhibit A, Tab 18, Schedule 1.
- 1.2 Is the load forecast and methodology appropriate and have the impact of Conservation and Demand Management initiatives been suitably reflected?

**2. COST OF SERVICE (Exhibit C)**

- 2.1 Is the proposed level of 2009 and 2010 spending for Sustaining and Development OM&A appropriate?
- 2.2 Is the proposed level of 2009 and 2010 Shared Services and Other O&M spending appropriate?

**3. RATE BASE (Exhibit D)**

- 3.1 Are the 2009 and 2010 Sustaining and Development and Operations capital expenditures appropriate?
- 3.2 Is the proposed level of 2009 and 2010 Shared Services and Other Capital expenditures appropriate?

**4. REGULATORY ASSETS (Exhibit F)**

- 4.1 Is the proposal for the amounts, disposition and continuance of Hydro One's existing Deferral and Variance Accounts (Regulatory Assets) appropriate? Is the proposal to establish new Deferral and Variance Accounts appropriate?