



EB-2008-0187

**NOTICE OF APPLICATION AND WRITTEN HEARING FOR AN
ELECTRICITY DISTRIBUTION RATE CHANGE**

Hydro One Networks Inc.

The Ontario Energy Board (the “Board”) has received an application on November 7, 2008, under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15 (Schedule B), seeking approval for changes to the rates that Hydro One Networks Inc. (“Hydro One”) charges for electricity distribution, to be effective May 1, 2009. The Board has assigned the application file number EB-2008-0187. The Board’s decision on this application may have an effect on all of Hydro One’s distribution customers. The application was filed under the Board’s guidelines for 3rd Generation Incentive Regulation (“IR”), which provides for a mechanistic and formulaic adjustment to rates between cost of service applications. In addition to the formulaic adjustment to rates, Hydro One is also seeking approval for incremental capital investment.

Any change to the rates that Hydro One charges for electricity distribution will be reflected in the delivery charges. Delivery charges are one of four regular items on residential and general service customers’ electricity bills and vary depending on the amount of electricity consumed.

Hydro One indicates that the approximate rate increase for a residential customer consuming 1,000 kWh per month that would arise directly from this application, if approved as filed, would range from 4.4% to 5.8% on the delivery portion of the bill, depending on the service area. This is an increase ranging from \$2.31 to \$3.66 per month on the total bill. The approximate rate increase for a small general service customer consuming 2,000 kWh per month and having a monthly demand of 50kW or lower would range from 4.7% to 6.6% on the delivery portion of the bill, depending on the service area. This is an increase ranging from \$3.42 to \$5.11 per month on the total bill.

Hydro One has also proposed to implement the second phase of its proposed rate harmonization plan as a part of this application. The rate harmonization plan itself is the subject of a separate proceeding (EB-2007-0681), and will not be considered in the current application. For some Hydro One customers, however, the implementation of the rate harmonization plan may result in rate increases in excess of those described above.

Hydro One Networks' customers can determine the approximate bill impact to their specific service area by checking their "service type", which appears on page 2 of their Hydro One Networks bill beside the words "Your electricity charges". If the "service type" shown on your bill includes your specific community's name, make note of it. You can obtain further information on your bill impacts by going to www.HydroOneNetworks.com/2008RateApplication or calling Hydro One Networks Inc. at 1-866-543-8031.

How to see Hydro One's Application

Copies of the application are available for inspection at the Board's office in Toronto and on its website, www.oeb.gov.on.ca, and at Hydro One Networks Inc.'s website www.HydroOneNetworks.com and at the following Hydro One Networks Inc. offices:

Head Office, 8th Floor, South Tower, 483 Bay Street, Toronto
Barrie Field Business Centre, 45 Sarjeant Drive, Barrie
Peterborough Field Business Centre, 913 Crawford Drive, Peterborough
Sudbury Field Business Centre, 957 Falconbridge Road, Sudbury
Merivale Service Centre, 31 Woodfield Drive, Ottawa
Dundas Field Business Centre, 40 Olympic Drive, Dundas,
Beachville Field Business Centre, 56 Embro Street, Beachville,
Thunder Bay Field Business Centre, 255 Burwood Road, Thunder Bay

How to Participate in the Rate Proceeding

You may participate in the proceeding in one of three ways:

1. Send a Letter with your Comments to the Board

Your letter with comments will be provided to the Board members deciding the application, and will be part of the public record for the application.

Your letter must be received by the Board no later than **January 21, 2009**.

The Board accepts letters of comment by either post or e-mail at the addresses below.

2. Become an Observer

Observers do not actively participate in the proceeding but monitor the progress of the proceeding by receiving documents issued by the Board. You may request observer status in order to receive documents issued by the Board in this proceeding. If you become an observer, you need to contact the applicant and others in order to receive documents that they file in this proceeding and they may charge you for this. Most documents filed in this application will also be available on the Board's website. Your request for observer status must be made in writing and be received by the Board no later than **January 5, 2009**. The Board accepts observer request letters by either post or e-mail at the addresses below; however two paper copies are also required. You must also provide a copy of your letter to the applicant.

3. Become an Intervenor

You may ask to become an intervenor if you wish to actively participate in the proceeding. Intervenors are eligible to receive evidence and other material submitted by participants in the hearing. Likewise, intervenors will be expected to send copies of any material they file to all parties to the hearing.

Your request for intervenor status must be made by letter of intervention and be received by the Board no later than **January 5, 2009**. Your letter of intervention must include a description of how you are, or may be, affected by the outcome of this proceeding; and if you represent a group, a description of the group and its membership. The Board may order costs in this proceeding. You must indicate in your letter of intervention whether you expect to seek costs from the applicant and the grounds for your eligibility for costs. You must provide a copy of your letter of intervention to the applicant.

The Board intends to proceed with this application by way of a written hearing, but may include an oral component. That component may be in the form of a technical conference or an oral hearing, or both. This approach will enable the Board to address certain matters more effectively

than would be possible in a proceeding conducted entirely on a written basis. If you object to the Board proceeding in this fashion, your letter of intervention must state the nature of the process you believe to be necessary and the reasons for undertaking such a process.

The Board will issue a Procedural Order at a later time to establish further steps in the hearing process.

How to File Documents with the Board

If you already have a user ID, please submit your interrogatories or submission through the Board's web portal at www.errr.oeb.gov.on.ca. Additionally, two paper copies are required. If you do not have a user ID, please visit the Board's website under e-filings and fill out a user ID password request. For instructions on how to file and naming conventions, please refer to the RESS Document Guidelines found at www.oeb.gov.on.ca, e-Filing Services. Those who do not have internet access are asked to submit their interrogatories or submission on a CD or diskette in PDF format, along with two paper copies. You may also send your submission by post or e-mail to the addresses below.

In responding to this Notice, please include Board file number EB-2008-0187 in the subject line of your e-mail or at the top of your document. It is also important that you provide your name, postal address and telephone number and, if available, an e-mail address and fax number. All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

Need More Information?

Further information on how to participate may be obtained by visiting the Board's website at www.oeb.gov.on.ca or by calling our Consumer Relations Centre at 1-877-632-2727.

IMPORTANT

IF YOU DO NOT FILE AN OBJECTION TO A WRITTEN HEARING OR DO NOT PARTICIPATE IN THE PROCEEDING IN ACCORDANCE WITH THIS

NOTICE, THE BOARD MAY PROCEED IN YOUR ABSENCE AND YOU WILL NOT BE ENTITLED TO FURTHER NOTICE IN THIS PROCEEDING.

Addresses

The Board:

Post:
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON
M4P 1E4
Attention: Board Secretary

Filings: www.errr.oeb.gov.on.ca
E-mail: Boardsec@oeb.gov.on.ca

Tel: 1-888-632-6273 (toll free)
Fax: 416-440-7656

The Applicant:

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Counsel for the Applicant:

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DATED at Toronto, December 10, 2008

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary