



September 20, 2017

VIA RESS AND COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, Ontario M4P 1E4

Dear Ms. Walli:

**RE: EB-2017-0049 – Hydro One Networks Inc. (“Hydro One”) Distribution Rate
Application 2018-2022 (the “Application”)
Reply submissions on Draft Issues List**

Hydro One has reviewed the comments made by parties to this proceeding on Board Staff's issues list, and provides the following submissions in response:

The Fair Hydro Plan

The Balsam Lake Coalition (“Balsam Lake”) and the Consumers Council of Canada (“CCC”) propose to add issues regarding the Fair Hydro Plan (“FHP”). As a general matter, Hydro One is agreeable to addressing the impact of the FHP on the Application. On the other hand, Hydro One submits that it would not be appropriate for this proceeding to be used as a forum to debate the merits of the Government of Ontario's FHP policy. Such purposes extend beyond the nature of the relief sought by Hydro One in its Application.

CCC proposes that the following two issues be added:

- *Are there implications arising from the implementation of the Fair Hydro Plan on HON's proposed revenue requirements and load forecasts?*
- *What are the final bill impacts for customers taking into account HON's Application and the implementation of the Fair Hydro Plan?*

Hydro One is agreeable to the addition of two above-noted issues as these appropriately address the impact of the FHP on the Application. The FHP issue proposed by Balsam Lake, on the other hand, does not account for the fact that Hydro One filed its application prior to the introduction of the FHP and as such Hydro One submits there would be no basis to discuss whether the FHP “has been appropriately reflected” in the Application.

Issues Conference Proposal

CCC proposes an issues conference following the scheduled Technical Conference to:

“[P]otentially forge an agreement amongst parties as to what issues could be considered through a written hearing process. There may be issues that do not require cross-examination by parties. We believe this addition to the process could potentially streamline the oral hearing”.

Hydro One submits there is merit with this approach and agrees that the consideration of a set of issues via a written process could be efficient and cost-effective for all parties to reduce the number of issues found on the Issues List for this proceeding. In our view, a conference intended to reduce hearing issues, including settlement should, to the greatest extent possible be scheduled without creating extensive changes to the current timing for this proceeding as set out in Procedural Order No. 1.

Comments on Draft Issues 4 and 28 From City of Hamilton and CCC and Comments from Vulnerable Energy Customer Coalition (“VECC”)

Hydro One is not opposed to the suggested edits to these Issues by the City of Hamilton and CCC and also is not opposed to the comments submitted by VECC.

Anwaatin Submissions

Hydro One does not agree with Anwaatin’s proposed addition to the draft Issues List. Hydro One observes that Anwaatin’s proposal is in many respects similar to matters raised during the Issues List developed for Hydro One’s recent transmission rates application (EB-2016-0160). In Procedural Order No. 3 of that proceeding¹, the Board found that it was appropriate to include the following issue in order to address relevant aspects of the issues raised by Anwaatin:

Were Hydro One’s customer engagement activities sufficient to enable customer needs and preferences to be considered in the formulation of its proposed spending?

Hydro One submits that the Board can and should adopt a similar approach in the present circumstances. The language of the above-noted issue was broad enough to allow Anwaatin to address Hydro One’s transmission customer engagement process through both cross-examination and the filing of evidence and as this related to the needs and preferences of Anwaatin and Hydro One’s proposed transmission expenditures. Modifying the currently drafted Issue 22 to comport with the language above should be viewed as a reasonable and pragmatic way of allowing Anwaatin, and others who are Hydro One distribution customers, to address the topic of distribution customer engagement, needs and preferences, and how these matters have informed the distribution spending levels proposed by Hydro One in its Application.

Hydro One does not agree with Anwaatin’s assertion that the additional issue Anwaatin has proposed arises from and is consistent with Hydro One’s Application. Exhibit A, Tab 4, Schedule 2 addresses Hydro One’s corporate-wide First Nations and Métis Strategy. It is a policy document whose reach extends beyond matters of rate relief sought in the Application. Importantly, the policy document distinguishes between engagement and rights-based consultation. The reference made to page 8 of the document concerns a very general discussion of the Crown’s duty to consult and, where appropriate, accommodate. As with any infrastructure developer and operator, Hydro One is mindful of these duties and obligations whenever decisions involving Crown authorizations could impact asserted or established Aboriginal or treaty rights. In such circumstances, the responsibilities that the Crown may impose upon Hydro One to carry out procedural aspects of the duty to consult can and have

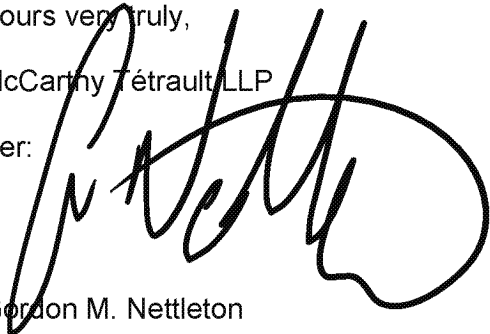
¹ See EB-2016-0160 OEB Decision on the Issues List and Procedural Order No. 3 dated October 12, 2016 at pages 3-4

arisen. These statements were, again, made in the overall context of Hydro One's First Nations and Métis Strategy, and cannot be reasonably be seen as Hydro One contemplating or acknowledging that the Crown's duty to consult arises in the specific circumstances of this rates Application.

Yours very truly,

McCarthy Tétrault LLP

Per:



Gordon M. Nettleton

cc: All Parties – EB-2017-0049