

Hydro One Networks Inc.

8th Floor, South Tower
483 Bay Street
Toronto, Ontario M5G 2P5
www.HydroOne.com

Tel: (416) 345-5700
Fax: (416) 345-5870
Cell: (416) 258-9383
Susan.E.Frank@HydroOne.com



Susan Frank

Vice President and Chief Regulatory Officer
Regulatory Affairs

BY COURIER

April 20, 2009

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

Dear Ms. Walli:

EB-2009-0095 – OEB DSC Amendment re LTLTs – Hydro One Networks' Comments

This is in response to the Ontario Energy Board's ("the Board") proposal to amend Sections 6.5.3, 6.5.4, and 6.5.4.1, and add a new section, 6.5.4.2 to the Distribution System Code ("DSC").

The Board's main proposal is that Local Distribution Companies ("LDC's") would now have until June 30, 2014, from the current January 31, 2009, to eliminate their long term load transfers ("LTLT's").

In a previous submission and correspondence Hydro One supported the option of grandfathering existing LTLTs. The existing LTLT arrangements have proven effective in the past, have resulted in few customer complaints, and the required settlement processes are in place.

Recent applications have highlighted a serious problem with eliminating LTLTs. We currently have two applications that have generated customer and government concerns. No resolution that is satisfactory to these customers has been determined. Some customers will be subject to large bill impacts

However, as the Board maintains that LTLT's will be eliminated Hydro One will continue with its plans but would note that the additional 5 years to complete this task does not resolve the fundamental bill impact problem. The additional time only delays the inevitable. Until this issue of large bill impacts can be resolved Hydro One cannot file any new applications to eliminate LTLTs. Furthermore, subject to agreement with our joint applicants, we will withdraw the

applications currently before the Board. Once the amendment is approved, Hydro One will withdraw its application seeking an exemption from Section 6.5.4 DSC that continues to be outstanding.

Once the customer impact issue has been resolved, Hydro One will proceed to eliminate the remaining LTLTs.

Sincerely,

ORIGINAL SIGNED BY SUSAN FRANK

Susan Frank