

STAKEHOLDER CONSULTATION

1.0 OVERVIEW

This Exhibit reports on the stakeholder consultation process in support of the 2010/2011 Distribution Rate Application and provides a summary of the discussions held during three interactive sessions. Hydro One Distribution's experience has been that early involvement with stakeholders is critical to developing a submission that reflects the broad interests and concerns of the Ontario Energy Board ("OEB") and Hydro One Distribution's constituencies.

Hydro One Distribution sought stakeholder input in two areas: (i) how to address studies in the areas of vegetation management benchmarking and density/cost allocation, both of which were directed by the Board in their Decision with Reasons in Hydro One Networks' 2008/09 distribution application (EB-2007-0681); and (ii) obtain stakeholder feedback and input on the key issues and challenges with Hydro One Distribution's 2010-2011 Distribution Rate Application.

To assist in developing, implementing and facilitating this process, Hydro One Networks retained Haussmann Consulting Inc. ("HCI") in spring 2009. The stakeholder consultation sessions were held in April, May and June 2009.

The overall goal was to improve the quality and comprehensiveness of the pre-filed evidence and to minimize the issues to be addressed at the OEB hearing. The consultation program consisted of the presentations of information to stakeholders followed by discussion sessions on the issues raised. The presented information and notes of meeting were also made available through Hydro One Networks' website for those stakeholders

1 that could not attend the sessions. In addition, Hydro One staff were available for
2 informal dialogue with stakeholders throughout the process.

3
4 Input received during the consultation sessions was documented and considered in
5 finalizing the application. Stakeholder input had an influence on the content of the Hydro
6 One Distribution's application. For example, after discussion of the approach for
7 proceeding with the Density/Cost Allocation study, stakeholders and Hydro One
8 Distribution agreed that it was reasonable to proceed in a staged manner. Accordingly,
9 Hydro One Distribution advised the OEB on May 11, 2009 that it would identify the
10 underlying principles that relate density to cost, and the factors that need to be considered
11 in determining those costs, but it would not quantify these factors at this time.

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13 Overall, Hydro One believes the stakeholder consultation process was effective in
14 achieving many of its objectives as listed in Section 2.2. Evaluations of the consultation
15 sessions confirmed that participants agree with this assessment.

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17 **2.0 CONSULTATION PRINCIPLES, DESIGN AND PROCESS**

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19 The following principles and objectives guided the consultation design and
20 implementation. These principles and objectives were originally developed in
21 consultation with stakeholders in 2005 when Hydro One first initiated these sessions, and
22 were again made available to stakeholders at the outset of the current consultation
23 process by posting them on the Hydro One Regulatory Affairs website.

1 **2.1 Principles**

- 2
- 3 • Hydro One is entering into the stakeholder consultation process in good faith with a
4 view to facilitating and streamlining future OEB proceedings related to the
5 application;
 - 6 • Hydro One will receive and consider all submissions made by stakeholders, but will
7 retain control over the process of developing its application;
 - 8 • All consultations are carried out on a without-prejudice basis;
 - 9 • An independent facilitator will document and report the discussions and any
10 agreements reached with all or some stakeholders; and,
 - 11 • Agreements reached will be submitted to the OEB as part of its evidence.

12

13 The goal for the stakeholder sessions was to create a forum for stakeholders and Hydro
14 One to discuss issues related to the Hydro One Distribution Rate Application and to
15 identify areas of agreement and concern to shape the pre-filed evidence. To further this
16 mandate, participants were asked to:

- 17
- 18 • Represent the various views of their customers/constituencies; and,
 - 19 • Assist Hydro One to understand their goals and issues through participation in a
20 process of open dialogue and submissions.

21

22 **2.2 Objectives**

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24 The objectives for stakeholder consultation included:

- 25 • Inform and update key stakeholders about Hydro One's Distribution business, and the
26 approaches and methodology used to determine revenue requirement and rate design;
- 27 • Give stakeholders a range of opportunities to provide input and feedback on all
28 aspects of the application;

- 1 • Ensure stakeholder concerns and views are identified, understood and considered in
2 the preparation of the application;
- 3 • Act as a forum for the exchange of information and views;
- 4 • Assist Hydro One to anticipate and respond to stakeholder and customer views and
5 preferences; and,
- 6 • Clarify and scope as many issues as possible prior to the Hydro One submission to
7 the OEB.

8

9 **2.3 Participants in the Consultation Process**

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11 Stakeholder groups including intervenors from previous Hydro One rate proceedings,
12 OEB staff, LDCs and large distribution customers were invited to participate in the first
13 two stakeholder sessions via an invitation letter and a follow-up e-mail. For the third
14 session, an email invitation was sent to stakeholders. Approximately, forty groups were
15 invited to participate in the stakeholder sessions. Hydro One believes that those invited
16 were representative of the interests of the majority of its stakeholders.

17

18 Those who were not able to attend were invited to monitor the process through the
19 company's website and to provide input throughout the process.

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21 Stakeholder participation was guided by a Terms of Reference and funding was made
22 available to eligible intervenors consistent with the current OEB's Practice Direction on
23 Cost Awards.

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1 **2.4 Website**

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3 As part of the consultation process, Hydro One created a 2010/2011 Distribution Rate
4 Application web page. The intent was to provide interested stakeholders the opportunity
5 to monitor the consultation process and to provide input throughout the consultation.

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7 The 20010/2011 Distribution Rate Application web page
8 (http://www.hydroonenetworks.com/en/regulatory/2010-11_distribution_rate_application)
9 was updated regularly and contained meeting agendas, presentations made available at the
10 stakeholder sessions and the meeting notes. Hydro One Distribution stakeholders were
11 advised by email about the sessions, agendas, and how they could participate or follow
12 the proceedings via the regulatory website if they could not attend.

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14 **2.5 Consultation Process Design**

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16 Three consultation sessions were held in April, May and June 2009. The first session
17 focused on the OEB-directed studies of vegetation management benchmarking and
18 density/cost allocation. Session two presented an overview of the structure of the
19 application, the implications of *The Green Energy and Green Economy Act* on the
20 application, and a preliminary presentation on principles of density and cost allocation by
21 the consultant engaged to prepare this study for Hydro One. The third session provided
22 details of the revenue requirement, cost allocation and rate impacts that stakeholders
23 would find in the application. All presentations were followed by a facilitated discussion,
24 which provided stakeholders an opportunity to ask questions and to comment on the
25 presentations and proposed approach to the studies and content of the Application.

26
27 **Session #1** was held on April 15, 2009 at the Metropolitan Hotel in Toronto. Ten
28 stakeholders attended representing nine stakeholder organizations and OEB staff. The

1 session consisted of three presentations on the proposed approach to vegetation
2 benchmarking and density studies.

3
4 **Session #2** was held on May 25, 2009 at the Toronto Marriott Hotel. Twenty stakeholders
5 attended representing eighteen stakeholder organizations and OEB staff. Hydro One
6 Distribution presented an overview of the key drivers of the revenue requirement in the
7 2010/2011 rate application, with emphasis on vegetation management, IFRS, *Green*
8 *Energy and Green Economy Act*, cost of capital, treatment of smart meters and rate
9 implementation. An update on the progress in the Density and Cost Allocation study also
10 was provided.

11
12 **Session #3** was held on June 24, 2009 at the Metropolitan Hotel in Toronto. Eighteen
13 participants attended representing fourteen stakeholder groups and OEB staff. Hydro
14 One's presentations included its major investment programs (Core Work Program,
15 Distributed Generation and Smart Grid, Shared Services), International Financial
16 Reporting Standards (IFRS), Hydro One's 2010/2011 load forecast and Revenue
17 Requirement and associated rRate impacts and mitigation.

18 19 **3.0 CONSULTATION ON OEB DIRECTED STUDIES**

20 21 **3.1 Vegetation Benchmarking**

22
23 The Meeting Notes of this session are found in Appendix B.

24
25 Hydro One staff focused the discussions by reviewing the points included in the OEB's
26 Decision with reasons in EB-2007-0681. In its Decision, the OEB directed Hydro One,
27 "in consultation with intervenors and OEB staff, [to] develop a benchmarking approach

1 to provide definitive information respecting the Company's relative efficiency in
2 vegetation management".

3
4 Hydro One provided a comprehensive overview of its current vegetation management
5 practices. Specifics were also presented on the system impact of vegetation, the costs
6 associated with Hydro One's vegetation management programs, and some of the key
7 vegetation management program drivers and planning considerations. The session
8 concluded with presentations on the vegetation management benchmark metrics
9 developed in the PA Consulting study filed with the 2007 Hydro One Distribution Rate
10 Application, and the data developed for the 2008 Tree Line Connection benchmarking
11 study by CN Utility.

12
13 Input was sought from stakeholders on how to proceed with this study, and in particular
14 with respect to the definition of "efficiency", comparability criteria, and the issue of data
15 confidentiality.

16
17 The challenge of collecting "definitive information" sufficient for purposes of
18 benchmarking was acknowledged by participants. Of concern is the need to obtain
19 sufficient utility participation to achieve meaningful comparisons. Stakeholders noted
20 that a considerable degree of detail could be found in the various utility regulatory filings,
21 and that comparing total vegetation management expenses to total OM&A costs using
22 data readily available from regulatory filings might be a good starting place that would
23 not be hampered by confidentiality issues. However, differences in management practices
24 and service territories would still need to be addressed.

25
26 Stakeholders noted that the term "efficiency" should not refer solely to cost. Cost
27 efficiency (\$/km) is related to a company's reliability and safety performance.

1 Comparability criteria were also discussed and it was noted that these must be explicitly
2 identified, and the selected metrics defined in a similar manner by each utility.
3 Stakeholders suggested the following criteria:

- 4 • Percentage of lines requiring vegetation management;
- 5 • Type of terrain comprising the territory;
- 6 • Rural/urban density split, e.g. customers/km line or MW load/km line (the
7 relevance of this to vegetation management was questioned);
- 8 • Kilometre on-road/off-road line split; and
- 9 • Overhead vs. underground line split.

10 To overcome the considerable variations in vegetation management costs occasioned by
11 weather fluctuations, it was suggested that several years' average data should be
12 compared.

13
14 Several stakeholders proposed that the Hydro One Distribution service territory be
15 divided into distinct regions based on vegetation type, climate and population density,
16 noting that it might be easier to find comparables for each of the various regions rather
17 than trying to find comparables for the entire service area.

18
19 Hydro One Distribution indicated it would forward the stakeholder input received at the
20 session to help guide the work of the consultant to be hired to conduct the vegetation
21 management benchmarking study (CN Utility).

22 23 **3.2 Density and Cost Allocation**

24
25 In its Decision with Reasons in EB-2007-0681 the Board also directed Hydro One
26 Distribution to “provide a more detailed analysis on the relationship between density and
27 cost allocation”, including looking at customer class demarcations and consideration of

1 alternative density weightings used in the cost allocation model. Although the OEB did
2 not direct Hydro One to engage stakeholders in a consultation on the density study,
3 Hydro One wished to include stakeholders in determining a suitable approach to this
4 study.

5
6 Hydro One reviewed its current density definitions for urban, medium and low density
7 zones and explained how density weighting factors (Customer and Demand density) are
8 used to allocate overhead line and transformer related fixed and variable costs to various
9 customer classes (Urban, R1 and R2). There was extensive discussion around the
10 appropriateness of the weightings applied to the customer classes for purposes of cost
11 allocation, and whether they properly reflect the costs inherent in the system architecture
12 used to serve these classes.

13
14 In light of the EB-2007-0031 OEB staff discussion paper on *Rate Classification for*
15 *Electricity Distribution Customers* dated January 29, 2009 recommending against any
16 customer classification based on density characteristics (page 19) and after extensive
17 discussion, a broad consensus was reached (with one stakeholder dissenting) that Hydro
18 One should begin with a study to identify the underlying principles that relate density to
19 cost, and the factors that need to be considered in determining those costs. Producing the
20 relevant data and requested analysis would require extensive work and should await
21 agreement on the principles and factors. Hydro One agreed to engage a consultant to
22 provide some initial views on density/cost allocation principles and factors at its second
23 stakeholder session on May 25, 2009.

1 **4.0 DISTRIBUTION RATE APPLICATION CONSULTATIONS**

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3 **4.1 Distribution Rate Application Stakeholder Session #1 – May 25, 2009**

4
5 The meeting notes of this session are found in Appendix C.

6
7 In this session, Hydro One provided:

- 8 • An overview of the key drivers of revenue requirement in its 2010/2011
9 distribution rate application;
- 10 • An assessment of the implications of *The Green Energy and Green Economy Act*
11 for its distribution rate application;
- 12 • Updates on the progress of the vegetation management benchmarking study and
13 the study of principles and factors to be considered in the Density and Cost
14 Allocation study; and
- 15 • A brief review of the rate harmonization process and cost allocation methodology
16 to be applied, all of which are consistent with the previous application.

17
18 Drivers of the revenue requirement in this application include a large ongoing capital
19 program and increases in some OM&A work programs, shorter vegetation clearing cycle,
20 PCB legislation, smart meters and Smart Grid. The effects of implementing International
21 Financial Reporting Standards (IFRS) and *The Green Energy and Green Economy Act*
22 (the *Act*) were also discussed. It was confirmed that Hydro One is working with CN
23 Utility on the vegetation benchmarking study, and that Hydro One intended to file its
24 Green Energy Plan as part of this application.

25
26 Much of the discussion at this session focused on the effects of the *Green Energy and*
27 *Green Economy Act* on the revenue requirement. Hydro One's Green Energy Plan will be
28 based on objectives defined by the Government and the Ontario Power Authority

1 (“OPA”). Hydro One will be required to expand the capacity of its transmission and
2 distribution systems to take the output of new renewable energy generation much of
3 which will be distant from major load centres, make enabling protection and control
4 (P&C), telecom and voltage control investments, and connect new generation to the grid.
5 The *Act* also promotes facilitation of a Smart Grid, which will affect the application, and
6 conservation, which falls outside the scope of the current application.

7
8 In the ensuing discussion, stakeholders expressed concern that the Green Energy Plan and
9 Smart Grid initiatives would be very costly, and most of the cost would fall on Hydro
10 One. They felt that investments in renewable generation should be funded through a
11 global adjustment paid for by all Ontario electricity customers. If guidelines were not
12 available in time for the filing, Hydro One indicated it would request a variance account
13 to track investments in renewable generation.

14
15 In response to stakeholders’ questions, Hydro One Distribution clarified that the Smart
16 Zone pilot project would be designed primarily to see how the technology works together
17 as a system to manage distributed generation, time-of-use data, and CDM applications
18 such as load and appliance management. Hydro One Distribution also indicated that it
19 would not include CDM programs in its application, and it expects further direction from
20 the OEB on how to move forward with CDM targets and funding.

21
22 **Principles for Defining and Allocating Cost to Density-Based Sub-Classes**

23 John Todd (President, Elenchus Research Associates) provided an extensive presentation
24 on principles for defining and allocating cost to density-based sub classes. He began by
25 providing examples of density based classes and approaches in several jurisdictions (and
26 sectors) and identifying customer classification principles from standard ratemaking
27 texts, concluding that literature and precedents provide little guidance as to what
28 principles should be used in establishing density-based rates. He also concluded that the

1 key issue to be addressed is whether urban and rural customers are “equals” or
2 “unequals”, and whether cost differences due to customer density (which can be viewed
3 as being driven by economies of scale/intensity of use) should be reflected in rates.

4
5 In the ensuing discussion, stakeholders noted that, to reflect the fairness principle, other
6 factors besides density could be reflected in cost allocation, such as:

- 7 • The capital contribution paid by remote customers at time of connection;
- 8 • Varying levels of service reliability and quality;
- 9 • Asset age differences; and
- 10 • Distance of the customer from the grid.

11
12 Some of the issues above raise policy questions that go beyond the calculation of cost
13 allocation.

14
15 As summarized in the meeting notes provided in Appendix C, stakeholders made a
16 number of suggestions with respect to delineating and classifying assets as high or low
17 density for purposes of cost allocation (e.g. cataloguing distribution line lengths and the
18 number of customers served by each distribution station, identifying self-evident or
19 logical delineations between urban and rural areas). Alternatively, it was suggested that
20 moving all rates to the general service category and eliminating the rural/urban
21 distinction altogether is another option;

22
23 In summary, Mr.Todd noted that applying a more refined approach to density-based cost
24 allocation might result in only a small number of customers moving from an urban to a
25 rural class or vice versa, or a very small change in rates. Conversely, if a new
26 methodology resulted in a large difference in rates, and the policy response was to correct
27 this differential by increasing the rural/remote subsidy, the resulting net cost allocation
28 could be similar to what it is at present.

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Rate Implementation

To conclude the session, it was reported that 2010 and 2011 represent the final two years of the OEB approved rate harmonization plan for Hydro One distribution customers. The filing will include a new cost allocation study for the 2010 revenue requirement using the same methodology that was used in 2008. For 2011, the 2010 Revenue Requirement will be adjusted upwards by the percentage increase in the 2011 Revenue Requirement over 2010. The revenue/cost ratios will be within OEB guidelines and will remain very close to what they were in 2008. The same density-based weighting factors will be used, except that in response to stakeholder feedback from the April 15th stakeholder session, consideration will be given to using a density weighting factor of “1” for the seasonal customer classes. The same rate design (as described in EB-2007-0681) will be used to recover the revenue requirement by customer class.

By 2011, all customers will be at the target rates based on the 12 customer classes. Customer’s total bill impacts will comply with OEB guidelines. If the 10% threshold is exceeded, additional mitigation will be considered as per EB-2007-0681. The OEB-approved Mitigation Variance account may also be continued.

In response to questions, it was reported that an extensive communications program targeting affected customers and municipalities accompanied the rate harmonization process. The number of customer calls related to the harmonization program received by the Hydro One Customer Communication Centre were much lower than forecast. However, Hydro One will continue with a similar communications approach for future distribution rate changes to ensure customers are aware of why rates are changing, and how they can manage the change through CDM.

1 **4.2 Distribution Rate Application Stakeholder Session #2 – June 24, 2009**

2
3 The Meeting Notes of this session are found in Appendix D.

4 This session focused on providing stakeholders with a preview of the information, that
5 would appear in the 2010/2011 Hydro One Distribution rate application. :Hydro One
6 made presentations on:

- 7 • Major Investment Programs (Core Work Program, Distributed Generation and
8 Smart Grid, Shared Services);
- 9 • IFRS/GAAP;
- 10 • Load Forecast for 2010 and 2011;
- 11 • 2010/2011 Revenue Requirement; and,
- 12 • Rate Impacts and Mitigation

13
14 **Major Investment Programs**

15 Hydro One Distribution explained the major cost drivers in this application including
16 aging assets, new Environment Canada PCB regulations, vegetation management and
17 initiatives in response to *The Green Energy and Green Economy Act*. A detailed breakout
18 of the Sustaining, Development and Operations OM&A and capital costs to be included
19 in the filing was provided.

20
21 Hydro One Distribution presented the basic assumptions underlying its Green Energy
22 Plan and explained that it will continue all core CDM programs of the OPA.. The forecast
23 is based on current targets as revised CDM targets and programs are not yet available.
24 Capital costs related to new generation are projected to increase from the 2008 OEB-
25 approved level and assumed to be funded by a global adjustment mechanism.

26 Hydro One Distribution also explained that shared services costs closely track overall
27 work program costs. The key factors that drive shared cost increases from 2008 to 2011

1 include new distributed generation connections, smart meters and smart grid, CDM and
2 business transformation (the ongoing information technology redevelopment program).

3 There were no stakeholder comments and only a few questions following the
4 presentations on the major investment programs. In response to a stakeholder inquiry,
5 Hydro One clarified that renewable generation capital costs recovered through a global
6 adjustment mechanism are deducted under “Other Capital” in Shared Services so there is
7 zero rate impact on the revenue requirement from capital expenditures that are
8 recoverable. Hydro One also clarified that the next actuarial evaluation of the pension
9 plan will take place on December 31, 2009.

10 11 **IFRS/CGAAP**

12 Hydro One Distribution provided an overview of the International Financial Reporting
13 Standards (IFRS), the regulatory and standard setting process and the implications of
14 IFRS for Hydro One Distribution’s rate application.

15
16 As a result of the June 19, 2009, the International Accounting Standards Board (“IASB”)
17 decision to acknowledge the existence of regulatory assets and liabilities of Canadian
18 electricity distribution companies, Hydro One Distribution informed the stakeholders that
19 it expects that:

- 20 • It will be able to continue to cost its assets as it has done historically (PPEs and
21 intangibles);
- 22 • Regulatory assets and liabilities will continue to be recognized for financial
23 reporting purposes; and,
- 24 • PILs (Payments in lieu of taxes) and pensions will continue to be stated on a cash
25 basis for financial reporting and rate application purposes.

26
27 In the ensuing discussion, a stakeholder asked about the effect of IFRS on the calculation
28 of capitalized interest. As a result of the IASB recognition of the authority regulators

1 have over Canadian utilities, Hydro One Distribution expects the treatment of assets for
2 rate-making purposes and the approach to cost capitalization to remain unchanged and
3 the volatility in pension costs to be eliminated. Overall, the effect on rates of moving to
4 the IFRS is expected to be minimal.

5

6 **Load Forecast**

7 Hydro One Distribution provided an update of its load forecast for the period covering
8 the 2010/2011 distribution rate application. It was also reported that Hydro One
9 Distribution had commissioned a study of CDM impacts on the Company's load forecast
10 in response to the OEB directive. This report is expected to be available in late
11 September, 2009.

12

13 In the absence of updated forecasts, Hydro One Distribution continues to use the OPA
14 Integrated Power System Plan ("IPSP") forecast of CDM impact on load submitted to the
15 OEB in August 2007. Hydro One Distribution's load forecast incorporates total CDM
16 impacts of 2,360 and 2,853 GWh in 2010 and 2011 respectively, resulting in a net total
17 load forecast of 38,306 and 38,049 GWh in 2010 and 2011 respectively.

18

19 There were a number of questions of clarification and one comment made by
20 stakeholders following this presentation. It was suggested that Hydro One Distribution
21 should increase the assumed CDM impact on its load forecast because of *The Green*
22 *Energy and Green Economy Act* and the anticipated increase in the OPA's conservation
23 targets. Hydro One noted it would take into consideration any revised CDM targets from
24 the OPA or changes to other assumptions if available before the OEB hearing, and would
25 update its filing with a revised load forecast as appropriate.

26

1 **Revenue Requirement**

2 An overview of the distribution revenue requirement calculation methodology and the
3 resulting revenue requirements for 2010/2011, the regulatory asset recovery amounts and
4 the average distribution rate bill impacts was presented. Stakeholders sought
5 clarification of a few items. One stakeholder inquired about how the PST/GST
6 harmonization would affect the rates (rate harmonization is not included in the
7 application as the attendant rules are not yet certain). In response to another question, it
8 was noted that Hydro One expects the OEB will rule on what cost of capital forecast to
9 use in finalizing its revenue requirement. It was also clarified that any benefit accruing to
10 Hydro One from reduced transmission charges paid to the Independent Electricity System
11 Operator (“IESO”) as a result of new embedded generation will be captured in the
12 corresponding variance accounts for those years.

13
14 **Rate Impacts and Mitigation**

15 This final presentation reported that Hydro One is using the 2008 OEB-approved cost
16 allocation methodology, 12 customer classes and density weights (with the exception of a
17 density weight of “1” [one] for seasonal customers, as is the case for all customer classes
18 that are not density based). The resulting average total bill impact to recover the 2010
19 revenue requirement is 2.9%, with considerable variations from this average across the
20 various rate classes. Hydro One will prepare the cost allocation and rate design for 2011
21 when the revenue requirement for 2011 is set by the OEB, ensuring that the average
22 customer impact in 2011 will remain within the OEB guidelines.

23
24 Stakeholders raised a number of questions of clarification and made one comment
25 following the presentation. The comment was that Hydro One should consider bringing
26 Sentinel and Street Lighting much closer to a revenue/cost ratio of 1.0 more quickly
27 because the dollar amount is relatively small. Hydro One explained that it moved them up
28 to a 0.7 ratio in 2008, which is a significant percentage increase and within the OEB

1 approved envelope. Because this class represents a relatively small dollar amount, any
2 additional increase would have little impact on other rate classes.

3
4 Hydro One clarified that the average total bill is likely to decrease as a result of the
5 change in rate riders, and the total bill impact does not include taxes. Hydro One also
6 explained that miscellaneous revenue were allocated across the customer classes in the
7 same way as the associated costs are allocated.

8 9 **5.0 STAKEHOLDER CONSULTATION SUMMARY**

10
11 Hydro One initiated the stakeholder consultation process to meet the objectives described
12 in Section 2.2. Based on the discussions that took place and the evaluations submitted by
13 stakeholder participants, the consultation process met these objectives. Hydro One
14 believes that the enhanced understanding by stakeholders of Hydro One operations and
15 business practices resulting from the dialogue at these sessions should reduce the effort
16 required by Hydro One to explain its rate application during the OEB proceeding. Hydro
17 One also obtained a good understanding of stakeholder issues and concerns through the
18 consultation process.

19
20 Stakeholder input assisted Hydro One to better understand and address stakeholder
21 concerns in the following areas:

- 22 • Vegetation benchmarking metrics;
- 23 • Utility comparability criteria for benchmarking purposes;
- 24 • Funding of projects driven by the *Green Energy and Green Economy Act*; and,
- 25 • Principles and factors to be considered in cost allocation and rate design.

1 In conclusion, stakeholder input helped Hydro One to refine and shape the elements of its
2 distribution rate application and helped to ensure that customer and stakeholder concerns
3 were understood and addressed.

4

5 **6.0 LIST OF APPENDICES**

6

7 A. Stakeholder Attendees at one or more Stakeholder Consultation Sessions

8 B. Meeting Notes: Stakeholder Discussion Sessions – April 15, 2009

9 C. Meeting Notes: Stakeholder Discussion Sessions – May 25, 2009

10 D. Meeting Notes: Stakeholder Discussion Session – June 24, 2009