

Participant Terms of Reference

Background

Hydro One Networks Inc. (Hydro One) is a company committed to business excellence. Building positive and lasting relationships with stakeholders is key to our success. To continue to build these relationships, Hydro One undertakes stakeholder consultation processes to assist in the preparation of its Distribution and Transmission Rate Applications to the Ontario Energy Board (OEB). These processes involve a number of consultation sessions and a project website. The purpose of the consultation sessions is to provide a forum for dialogue between Hydro One and key stakeholders and customers to discuss, clarify and prioritize key topics related to the application. These consultation sessions, along with any submissions received through the website, will be considered in the development of the content of Hydro One's submission to the OEB.

Stakeholder Consultation Principles

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

Goal

The goal for the stakeholder sessions is to create a forum for key stakeholders and Hydro One to discuss issues related to Hydro One's Distribution and Transmission Rate Applications and to identify areas of agreement and concern to shape the pre-filed evidence. To further this mandate, participants are asked to:

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

Objectives

- Inform and update key stakeholders about our Distribution and Transmission business, and the approaches and methodology used to determine revenue requirement and rate design;
- Give stakeholders a range of opportunities to provide input and feedback on all aspects of the application;
- Ensure stakeholder concerns and views are identified, understood and considered in the preparation of the application;
- Act as a forum for the exchange of information and views;
- Assist Hydro One to anticipate and respond to stakeholder and customer views and preferences; and
- Clarify and scope as many issues as possible prior to the Hydro One submission to the OEB.

Membership

Participants have been invited from key stakeholder groups, namely: intervenors from previous Hydro One rate proceedings, energy and environmental associations, Local Distribution Companies, major customers and Aboriginal political organizations.

Hydro One believes that those invited are representative of the interests of the majority of its stakeholders. Stakeholder discussion sessions may be limited in size to ensure adequate time to fully explore issues.

Alternate Members

It is Hydro One's intention that the same stakeholder representatives be actively involved throughout the process. This continuity will aid in the effectiveness of the process. In the event a participant is unable to attend one or more meetings, one designated alternate may be assigned to take their place. In the event that a participant and their alternate are both unable to attend a meeting, input may be submitted to Hydro One in writing.

Roles and Responsibilities

Hydro One

- Provide adequate background information to enable participation;
- Provide overview/presentations of key discussion topics;
- Act as a resource for main discussion and breakout sessions;
- Inform stakeholder how consultation has influenced Hydro One application.

Stakeholder Representatives

- Review Hydro One material presented;
- Identify key issues;
- Provide and present input, advice and feedback on issues relating to Hydro One's distribution and transmission rate applications

Stakeholder Discussion Session Details

- Meetings are to be convened at the request of Hydro One;
- The number of meetings will be series of meetings based on the topics to be covered
- All meetings will be held in the Greater Toronto Area;
- The input received during the Hydro One consultation will be used solely for the purpose of developing its Distribution and Transmission Rate Applications.

Working Group Meetings/Subcommittees

If, during the course of the consultation sessions, it is apparent that additional time to explore an issue(s) would be of benefit, subcommittees may be convened to discuss a specific issue/topic for a predetermined period of time. If required, facilitation and reporting resources will be provided for subcommittee meetings.

Consultation Process Support

A consultant will be retained to provide third party facilitation and reporting of consultation sessions. Assistance in identifying issues where discussion will be of benefit, exploring stakeholder views, and identifying any common ground are key parts of the facilitation role.

The consultant will prepare meeting notes that document discussions and stakeholder submissions received during this process, as well as any areas of agreement that are reached between Hydro One and stakeholders. Where stakeholders take firm positions on an issue, this will be recorded if the stakeholder is willing to be identified in the notes. If an organization wishes to go on the record with a detailed position, this should be confirmed in writing to Hydro One. These formal responses, along with stated positions will be reflected in the final consultation report that will form part of the Hydro One submission to the OEB.

Participant Funding

Funding may be provided for participants who qualify for funding under the *Funding Guidelines* attached. No other participant funding will be offered. Those who have

qualified for funding during previous consultation processes do not need to re-qualify if their circumstances remain the same.

Duration of the Consultation Period

The purpose of the consultation is to provide an opportunity for Hydro One-stakeholder dialogue during the time in which Hydro One is preparing its Distribution or Transmission Rate Application, prior to filing with the OEB.

Additional Consultation Opportunities

Parties who are not available to attend or cannot be accommodated in the stakeholder consultation sessions are encouraged to follow the process and submit comments through the Hydro One Regulatory Website (www.hydroonenetworks.com/regulatory).

Accountability

- Responsibility for the stakeholder consultation program rests with Susan Frank, Vice President and Chief Regulatory Officer, Hydro One Networks Inc.
- Participants are to be governed according to the policies/procedures of their respective organizations. In the event that agreements are reached during the consultation process, they must be consistent with relevant policies of the respective organizations and must be supported by written documentation from the organization.

Hydro One Contact

Should you have any questions about this document or the consultation program, please e-mail:

Electronic access: Regulatory@HydroOne.com
