Consumers Council of Canada (CCC) INTERROGATORY #22 List 2

Interrogatory

Ref: B1/T3/S1

Issue 4.4
Issue: Should the capital structure, capital costs, and ROE vary between Hydro One's distribution and transmission business.

HON is proposing to use the ROE formula currently used by the OEB for 2009 and 2010. Why, from HON's perspective is it not appropriate to use the formula for 2007 and 2008?

Response

As stated in response to J.9.55, HONI Tx has filed cost of capital evidence specific to its own circumstances, which addresses its own risks and return requirements. HONI Tx is asking the Board to review that evidence on its own merits, and to set an initial return that reflects the outcome of that review.

Please refer to HONI Tx's response to J.1.100 for clarification with respect to the application of the adjustment mechanism