Hydro One Networks Inc

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Brian Gabel

Vice-President, Regulatory Affairs

April 24, 2003

Mr. Paul Pudge Secretary Ontario Energy Board Suite 2601, 2300 Yonge Street P.O. Box 2319 Toronto, Ontario M4P 1E4

Dear Mr. Pudge:

Combined Distribution Service Area Amendments Proceeding Board File RP-2003-0044

Hydro One Networks Inc. ("Networks") is writing to advise the Ontario Energy Board ("the Board") of its acceptance of Draft Issue No. 2 as set out in the Board's Procedural Order No. 1, Appendix A.

For Draft Issues No. 1, 3, 4 and 5, Networks proposes the following wording:

- 1. What Role should the preference of new customers play in the Board's consideration of service area amendments.
- 3. Service area amendments can have impacts on the applicant and incumbent distributor and their existing customers, as well as on other distributors and their customers. What are these impacts and what aspects are most significant in the Board's consideration of service area amendments? (This wording is intended to include impacts on the incumbent distributor's customers.)
- 4. Should the Board consider the granting of service area amendments which result in overlapping service areas? If so under what conditions and to what degree? What are the implications of overlapping service areas? Who has the obligation to serve?
- 5. What must be filed to commence and support an application for a service area amendment application?

Networks proposes to add the following issues:

- 6. Given the transitional nature of rates, what weight should current rates have in the consideration of service area amendments?
- 7. What information must a utility provide to the incumbent utility when they receive requests for connections or make offers to connect in the incumbent utility's service area?

Yours truly,

Brian Gabel

Cc Parties to RP-2003-0044