

CNPI Exhibit 1
FILING REQUIREMENTS FOR THE DESIGNATION PROCESS
FOR THE EAST-WEST TIE LINE

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**FILING REQUIREMENTS FOR THE DESIGNATION PROCESS
FOR THE EAST-WEST TIE LINE**

An application for designation will contain two main sections. Together, these sections of the application address the Board's decision criteria for the East-West Tie line:

- Evidence addressing the capability of the applicant to carry out the East-West Tie line project;

- The applicant's Plan for the East-West Tie line.

In addition to the items listed in these Filing Requirements, the applicant may choose to file any other information that it considers relevant to its application for designation.

CAPABILITY OF THE APPLICANT

1. Background Information

The applicant must provide the following information:

- 1.1 The applicant's name.

- 1.2 The applicant's OEB transmission licence number.

- 1.3 Any change in information provided as part of the transmitter's licence application.

- 1.4 Confirmation that the applicant has not previously had a licence or permit revoked and is not currently under investigation by any regulatory body.

- 1.5 Confirmation that the applicant is committed to the completion of the development work for the East-West Tie line, and to the filing of a leave to construct application for the line, to the best of its ability.
- 1.6 A statement from a senior officer that the application for designation is complete and accurate to the best of his/her information and belief.

2. Organization

The applicant shall identify how, from an organizational perspective, it intends to undertake the East-West Tie line project. In particular, the applicant, if it intends to involve Aboriginal communities as participants in the East-West Tie line project, they must file evidence of its experience with Aboriginal participation in development, construction or operation of transmission line projects. If the applicant has no direct experience with such participation, the applicant must describe its plan to source that experience for the East-West Tie line project. To that end, the applicant must file:

- 2.1 An overview of the organizational plan for undertaking the project, including:
 - any partnerships or contracting for significant work;
 - identification and description of the role of any third parties that are proposed to have a major role in the development, construction, operation or maintenance of the line; and
 - a chart to illustrate the organizational structure described.
- 2.2 Identification of the specific management team for the project, with resumes for key management personnel.
- 2.3 An overview of the applicant's experience with:
 - the management of similar transmission line projects; and

- regulatory processes and approvals related to similar transmission line projects.

In addition, the applicant must file evidence of one of the following:

2.4 If arrangements for Aboriginal participation have been made, a description of:

- The Aboriginal communities that will be participating in the project;
- The nature of the participation (e.g. type of arrangement, timing of participation);
- Benefits to Aboriginal communities arising from the participation;
- Benefits to transmission ratepayers of Aboriginal participation;
- Costs of Aboriginal participation included in the development and construction budgets for the line; and
- Whether participation opportunities are available for other Aboriginal communities in proximity to the line.

2.5 If arrangements for Aboriginal participation have not been made but are planned, a description of:

- The plan for Aboriginal participation in the project, including the method and schedule for seeking participation;
- The nature of the planned participation;
- Planned benefits to Aboriginal communities arising from the participation;
- Planned benefits to transmission ratepayers of Aboriginal participation; and
- Estimated costs of Aboriginal participation included in the development and construction budgets for the line.

2.6 If no Aboriginal participation in the project is planned, detailed reasons for this choice.

3. Technical Capability

The applicant must demonstrate that it has the technical capability to engineer, plan, construct, operate and maintain the line, based on experience with projects of equivalent nature, magnitude and complexity. To that end, the following must be filed:

3.1 A discussion of the type of resources, including relevant capability (in-house personnel, contractors, other transmitters, etc.) that would be dedicated to each activity associated with developing, constructing, operating and maintaining the line, including:

- design (including planning and environmental, public and Aboriginal consultation capabilities;
- engineering;
- material and equipment procurement;
- licensing and permitting;
- construction;
- operation and maintenance; and
- project management

3.2 Resumes for key technical team personnel.

3.3 A description of sample projects, and other evidence of experience in Ontario and other jurisdictions in developing, constructing and operating transmission lines involving similar:

- terrain;
- climate and other environmental conditions;
- reliability requirements.

3.4 Evidence that the applicant's business practices are consistent with good utility practices for the following:

- design;
- engineering;
- material and equipment procurement;
- right-of-way and other land use acquisitions;
- licensing and permitting;
- consultations;
- construction;
- operation and maintenance; and
- project management.

3.5 A description of:

- the challenges involved in achieving the required capacity and reliability of the EW Tie line, including challenges related to terrain and weather; and
- the plan for addressing these challenges through the design and construction of the line (e.g. number and spacing of towers, planned resistance to failure).

4. Financial Capability

The applicant must demonstrate that it has the financial capability necessary to develop, construct, operate and maintain the line. To that end, the applicant shall provide the following:

4.1 Evidence that it has capital resources that are sufficient to develop, finance, construct, operate and maintain the line.

- 4.2 Evidence that the financing, construction, operation, and maintenance of the line will not have a significant adverse effect on the applicant's creditworthiness or financial condition.
- 4.3 The applicant's financing plan, including:
- the estimated proportions of debt and equity; and
 - the estimated cost of debt and equity, including:
 - the use of variable and fixed cost financing;
 - short-term and long-term maturities; and
 - a discussion of how the project might impact the applicant's cost of debt
- 4.4 If the financing plan contemplates the need to raise additional debt or equity, evidence of the applicant's ability to access the debt and equity markets.
- 4.5 Evidence of the applicant's ability to finance the project in the case of cost overruns, delay in completion of the project and other factors that may impact the financing plan.
- 4.6 Evidence of the applicant's experience in financing similar projects.
- 4.7 The identification of any alternative mechanisms (e.g., rate treatment of construction work in progress) that the applicant is requesting or likely to request¹.

¹ See Report of the Board on The Regulatory Treatment of Infrastructure Investment in connection with the Rate-regulated Activities of Distributors and Transmitters in Ontario, http://www.oeb.gov.on.ca/OEB/Documents/EB-2009-0152/Board_Report_Infrastructure_Investment_20100115.pdf

PLAN FOR THE EAST WEST TIE LINE

5. PLAN OVERVIEW

The applicant must provide an overview of its Plan for the East-West Tie line. The overview must include:

~~5.1 A summary description of how the Plan meets the specified requirements for the East-West Tie Line. This description should include, for example:~~

- ~~• the length of the proposed transmission line;~~
- ~~• terminal points;~~
- ~~• number of circuits;~~
- ~~• voltage class;~~
- ~~• load carrying capacity;
 - ~~○ summer continuous rating (MVA)²; and~~
 - ~~○ summer emergency rating (MVA)³;~~~~
- ~~• resulting total transfer capability for the East-West Tie (MW);~~
- ~~• anticipated lifetime of the line (minimum 50 years);~~
- ~~• structures and conductors (to the extent known at the time of filing the application for designation. If unknown, describe method and criteria for selection:
 - ~~○ number and average spacing of towers;~~
 - ~~○ tower structure types (lattice, monopole, etc.) and composition (wood, steel, concrete, hybrid, etc.);~~
 - ~~○ conductor size and type; and~~
 - ~~○ protection against cascading failure and conductor galloping; and~~
 - ~~○ other relevant transmission facility characteristics~~~~

² Based on an operating voltage of 240 kV, ambient temperature of 30°C and conductor temperature of 93°C

³ Based on an operating voltage of 240 kV, ambient temperature of 30°C and conductor temperature of 127 °C

CNPI comments: Board Staff asked for parties to comment on the level of detail requested in this section of the filing guidelines. CNPI submits that this section should be eliminated from the filing guidelines for reasons set out below:

- A large part of the required submission is prescribed as a minimum technical requirement; or
- The level of detail requested would not be known with certainty until final design. To require applicants prepare these details would not present the Board any evidence that could be considered relative to competence and capability.

The applicant must also file:

- 5.2 Confirmation that the line will interconnect with the existing transformer stations at Wawa and Lakehead, and an indication of whether the line will be switched at the Marathon transformer station.
- 5.3 A signed affidavit from an officer of the licensed transmitter to confirm:
- that the line will meet the existing NERC, NPCC and IESO reliability standards; and
 - that the line will meet the Board's Minimum Technical Requirements; or documentation of where the applicant seeks to differ from the Minimum Technical Requirements and evidence as to the equivalence or superiority of the proposed alternative option.
- 5.4 An indication as to whether the Plan will be based on the Reference Option for the East-West Tie line. Where the Plan is not based on the Reference Option, the applicant must file:
- a description of the main differences between the applicant's Plan and the Reference Option;
 - a description of the interconnection of the line with the relevant transformer stations; and

- a Feasibility Study performed by the IESO, or performed to IESO requirements.

5.5 A brief description which highlights the strengths of the Plan, which may include:

- any technological innovation proposed for the line;
- reduction of ratepayer risk for the costs of development, construction, operation and maintenance;
- local benefits (e.g. employment, partnerships); and
- enhanced reliability for the transmission grid.

5.6 The estimated total costs associated with the Plan, broken down as follows:

- development;
- construction; and
- operation and maintenance.

5.7 An indication as to whether the applicant's present intention is to own and operate the line once the line is in service.

6. Schedule

The applicant must file, as part of its Plan:

- 6.1 A project execution chart showing major milestones for both line development and line construction phases of the project.
- 6.2 For the development phase of the project:
 - A detailed line development schedule identifying significant milestones, and proposed dates for completing the milestones, for significant activities that are part of the development phase of the project;
 - Proposed reporting requirements for the development phase;
 - Proposed consequences for failure to meet the required performance milestones and reporting requirements for the development phase;
 - A chart of the major risks to achievement of the line development schedule, indicating the likelihood of the item (e.g. not likely, somewhat likely, very likely) and the severity of its effects on the schedule (e.g. minor, moderate, major); and
 - A description of the applicant's strategy to mitigate or address the identified risks.
- 6.3 For the construction phase of the project:
 - A preliminary line construction schedule identifying significant activities that are part of the construction phase of the project, and estimates of time required to complete those activities;
 - A chart of the major risks to achievement of the construction schedule, indicating the likelihood of the item (e.g. not likely, somewhat likely, very likely) and the severity of its effects on the schedule (e.g. minor, moderate, major); and

- A description of the applicant's strategy to mitigate or address the identified risks.
- 6.4 Evidence of the applicant's past success in completing similar transmission line projects within planned time frames. Such evidence could include a comparison of the construction schedule filed with a regulator when seeking approval to proceed with a transmission line project and the actual completion dates of the milestones identified in the schedule.
- 6.5 Any innovative practices that the applicant is proposing to use to ensure compliance with, or accelerate the line development and line construction schedules.

7. Costs

As part of its Plan, the applicant must file a detailed budget for the development of the line up to the filing of the leave to construct application, and supporting evidence for that budget. This section of the Plan must include:

- 7.1 The amount already spent for preparation of an application for designation, and an estimate of remaining costs to achieve designation.
- 7.2 The estimated total development costs of the line, broken down by category of cost, including, where relevant:
- permitting and licensing;
 - engineering and design (including: planning and environmental , public and aboriginal consultation capabilities);
 - procurement of material and equipment;
 - consultations;

- Aboriginal participation costs;
- land use rights;
- contingency budget; and
- other significant expenditures.

7.3 The basis for and assumptions underlying the costs estimates.

7.4 A schedule of development expenditures.

7.5 A chart of the major risks that could lead the applicant to exceed the line development budget, indicating the likelihood of the item (e.g. not likely, somewhat likely, very likely) and the severity of its effects on the budget (e.g. minor, moderate, major), and a description of the applicant's strategy to mitigate or address the identified risks.

7.6 A proposed threshold of materiality for prudence review of cost overruns for the costs of development.

7.7 A statement as to the allocation between the applicant and transmission ratepayers of risks relating to costs of development. For example:

- if the costs of development are less than budgeted, does the applicant propose to recover only spent costs, or all budgeted costs (spent and unspent) or spent costs plus a portion of unspent cost (savings sharing); and
- if the costs of development exceed budgeted costs, does the applicant plan to seek recovery of the excess costs.

7.8 An estimated budget for the construction of the line, noting any significant anticipated contingencies.

7.9 If the Plan is not based on the Reference Option, evidence as to the difference in cost

(positive or negative) of work required at the transformer stations to which the line connects and at any other location identified by the IESO.

7.10 A list of the major risks that could lead the applicant to exceed the line construction budget, and the applicant's strategies to mitigate or address those risks.

7.11 The estimated average annual cost of operating and maintaining the line.

7.12 Evidence of the applicant's past success in completing similar transmission line projects within planned budgets. Such evidence could include a comparison of the budget filed with a regulator when seeking approval to proceed with a transmission line project and the actual costs of the project.

8. Land Owner and Other Consultations

The applicant must demonstrate the ability to conduct successful consultations with landowners, Aboriginal communities and other relevant parties. In addition, the designated transmitter will be required to satisfy environmental and other requirements that are outside the jurisdiction of the Board.

As part of its Plan, the applicant must file:

8.1 An overview of:

- the rights-of-way and other land use rights, presented by category, that would need to be acquired for the purposes of the development, construction, operation and maintenance of the line;
- the applicant's plan for obtaining those rights; and
- a description of any significant issues anticipated in land acquisition or permitting and a plan to mitigate them

8.2 A consultation plan for the line including:

- identification of the categories of parties to be consulted;
- the applicant's plan for consultation for each party or category of party, including method and tentative schedule in relation to the overall project schedule;
- a list of Aboriginal communities that may have interests affected by the project; and
- a description of any significant issues anticipated in consultation and a plan to mitigate them.

8.3 If the applicant has identified a proposed route for the line, the applicant must file:

- General description of the planned route for the line;
- Approximate right-of-way width;
- ~~Approximate portion of the route that is:~~
 - ~~○ adjacent to the existing corridor (%); or~~
 - ~~○ along a new corridor (%);~~
- ~~A brief description of the environmental challenges posed by the proposed route;~~ and
- ~~An estimate of the ownership by category of lands along the proposed route;~~
 - ~~○ Crown (federal or provincial) (%);~~
 - ~~○ Private (%);~~
 - ~~○ Aboriginal (%); and~~
 - ~~○ Other (%);~~

~~8.4 If a proposed route for the line has not been identified, the applicant must file:~~

- ~~• a list of alternative routes;~~
- ~~• an explanation of the method and decision criteria for route analysis and selection;~~ and
- ~~• the planned schedule for route selection~~

CNPI Comment: CNPI would be willing to provide this information, but in the absence of development work, the Board should understand that it would be unreliable and potentially misleading. As well, since routing and alternative routing information is required as part of the EA process (the method and decision criteria are subject to production of a Terms of Reference in the EA process and public and Aboriginal consultation requirements), the Board may wish to consider removing this filing requirement as part of the designation proceeding. The reference route should really be used to help compare generalized cost estimates and generally anticipated environmental impacts that may be expected.

8.5 The applicant must file evidence of its experience with:

- the acquisition of land use rights from private landowners and the Crown;
- the acquisition of necessary permits from government agencies;
- successfully obtaining environmental approvals similar to the environmental approvals that will be necessary for the East West Tie line;
- community consultation; and
- successful completion of the procedural aspects of Crown consultation with Aboriginal communities.

ADDITIONAL INFORMATION

The applicant should include any other information that it considers relevant to its application for designation.