

Canadian Niagara Power Inc.
EB-2011-0140 East-West Tie Line Designation
Phase 1 Reply Submission

In accordance with Procedural Order No. 3 in this proceeding, these are the submissions of Canadian Niagara Power Inc. ("CNPI") in reply to select submissions made by other parties. CNPI has organized its reply submissions on an issue basis. CNPI's silence on submissions of other parties should not be interpreted to represent acceptance of those positions.

1. What additions, deletions or changes, if any, should be made to the general decision criteria listed by the Board in its policy Framework for Transmission Project Development Plans (EB-2010-0059)?

CNPI agrees with the sentiment of other transmitters that a level playing field is necessary for this process to work. However, CNPI is concerned that in attempting to achieve a level playing field, the Board may create a process that favours new entrant transmitters. CNPI does not believe that being a "new entrant" is inherently beneficial to this process. Rather, it is the additional resources for project development that a new entrant brings that is beneficial. According to the Board's *Framework for Transmission Project Development Plans*, the Board believes its policy will "encourage new entrants to transmission in Ontario bringing additional resources for project development." It is clear from this reference that "additional resources for project development" is desired, for those resources will benefit the process. This interpretation seems to be supported by Iccon Transmission Inc. who wrote the following in its submission:

"Encouraging new entrants is a broader objective than simply introducing competition. It reflects the fact that, beyond instituting competitive processes, there are intrinsic benefits to adding new companies that 'bring additional resources to project development'".

As such, CNPI submits that no additional weight should be given to an applicant's status as a new entrant. Rather, the Board should assess whether an application will bring additional resources for project development. This assessment should apply equally to all applicants, regardless of whether they are new entrants.

2. Should the Board add the criterion of Aboriginal participation? If yes, how will that criterion be assessed?

Some transmitters have raised the concern that it would be unfair for the Board to give weight to existing participation arrangements, since the EWT LP partnership includes Aboriginal communities along the EWT route (i.e. the "directly affected Aboriginal communities"). Accordingly, some transmitters have proposed that the Board should consider aboriginal participation plans instead of existing aboriginal participation arrangements. CNPI agrees that it would be unfair to give extra credit to EWT LP for having an existing partnership with directly affected Aboriginal communities. However, CNPI also submits that anyone can prepare a well intentioned Aboriginal participation plan, but may not be successful in executing the plan (i.e. negotiations could fall through). A reasonable compromise would be for the Board to give additional weight to Aboriginal participation without consideration of whether the Aboriginal participants are directly affected. The Minister's March 29, 2011 letter does not specify a preference for directly affected Aboriginal participation; it simply refers to Aboriginal participation. Also, all of the applicant transmitters have had ample opportunity to negotiate participation arrangements with Aboriginal communities who are not directly affected by the EWT project. CNPI submits that this proposal is fair and would achieve the Minister's goal of Aboriginal participation.

7. What additions, deletions or changes should be made to the Filing Requirements (G-2010-0059)?

In regard to the assumed in-service date for the EWT project, CNPI proposes that the 2010 Long-Term Energy Plan's proposed 2017 in-service date should be updated to reflect the passage of nearly one-and-a-half years since the EWT project was originally identified. Additional time will also be required for the Board to issue its Phase 1 decision. A date subsequent to the originally proposed 2017 in-service date will allow for more realistic scheduling and cost comparisons. Further, CNPI submits that a single, revised, in-service date will be more manageable for comparison purposes than flexible in-service dates chosen by applicants.

19. What information should Hydro One Networks Inc. and Great Lakes Power Transmission LP be required to disclose?

According to GLPT, the majority of the information on its information list would not be

helpful in the designation process, and has therefore proposed a comprehensive methodology for obtaining its information. CNPI submits that the applicant transmitters are sophisticated and are therefore capable of determining what information would be helpful to their applications. Therefore, GLPT should be required to provide all relevant information, either on the public record or confidentially.

HONI has also suggested that some information it possesses would not be helpful. For the same reasons as set out above, CNPI submits that all relevant information should be provided by HONI. In regard to information protected by confidentiality agreements with third-parties, the Board is not bound by such agreements, so the subject information can and should be disclosed. Further, contractual arrangements with individual landowners and First Nations groups can be filed in confidence to protect any personal information and details of contractual arrangements.

CNPI notes that the information in GLPT's and HONI's possession has been acquired at expense of ratepayers. Since this information will enhance the designation applications, which will ultimately benefit ratepayers, it should be disclosed. Further, even with the protocols in place with EWT LP, the non-disclosure of relevant information held by GLPT and HONI would create the perception of an unfair advantage to EWT LP.

22. Given that EWT LP shares a common parent with Great Lakes Power Transmission LP and Hydro One Networks Inc., should the relationship between EWT LP and each of Great Lakes Power Transmission LP and Hydro One Networks Inc. be governed by the Board's regulatory requirements (in particular the Affiliate Relationships Code) that pertain to the relationship between licensed transmission utilities and their energy service provider affiliates?

To assist the Board on this issue, CNPI refers the Board to its March 9, 2010 Decision and Order in EB-2009-0422 (Dawn Gateway) in which the Board deemed two parties in a partnership to be affiliates for the purpose of ARC regulation, even though each party had 50% voting interests and neither party had control.