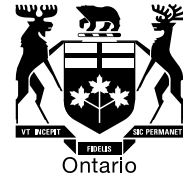


Ontario Energy Board
P.O. Box 2319
27th. Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

Commission de l'énergie de l'Ontario
C.P. 2319
27e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone: 416- 481-1967
Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273



January 28, 2013

To: All parties in the East-West Tie Designation Proceeding EB-2011-0140

Re: OPA Report and IESO Feasibility Study – Bi-directional flow on the East-West Tie line

The Board wishes to provide the following information to all parties in this proceeding.

The Board noted the project scope criteria in the *Long Term Electricity Outlook for the Northwest and Context for the East-West Tie Expansion* (Exhibit O.1.2 in this proceeding) prepared by the Ontario Power Authority (“OPA”). The following criterion appears at page 20 (section 7.1 Project scope, third bullet):

“The new line in conjunction with the existing tie is to provide total eastbound and westbound capabilities on the order of 650 MW, while respecting all NERC, NPCC and IESO reliability standards.”

The Board also noted the title of the report prepared by the Independent Electricity System Operator (“IESO”) *Feasibility Study: An assessment of the westward transfer capability of various options for reinforcing the East-West Tie* (Exhibit P.1 in this proceeding) and the description of the study at page 1:

“Feasibility Study

This report summarises the results of analysis performed on two options for reinforcing the East-West Tie to achieve a transfer capability of approximately **650MW** westwards, measured at Wawa TS, while respecting double-circuit contingencies at all times:

Option 1 With a new 230kV double-circuit line installed between Wawa TS and Lakehead TS, as proposed by the OPA, and
Option 2 With a new 230kV high-capacity, single-circuit line installed between the same terminal stations.”

The Board contacted the IESO to request clarification as to the potential for eastbound transfer capability, as apparently required by the OPA, and received the following reply:

With respect to your question I have been advised that in the IESO reference case analysis, as well as other alternatives the IESO assessed for transmitters, the IESO focussed on westbound capability, as this is the primary driver for the E-W tie expansion. Given the reference case and the alternatives put forward by potential transmitters, the IESO believes that a project that provides sufficient westbound capability will be suitably designed to provide sufficient transfer capability to meet OPA's goal of removing the E-W tie as a barrier to eastbound flows. We recommend that the OEB compare the projects on the merits of their westbound capability, recognizing that all alternatives that satisfy the targeted westbound transfer capability will be acceptable for the purpose of eastbound transfers.

The IESO and the OPA both agreed that this approach is appropriate.

The Board intends to accept the recommendation of the IESO in this matter, as it appears that the OPA criterion is satisfied, and the Board believes that no applicant will be disadvantaged by this approach.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary