



EB-2009-0078

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S. O. 1998, c.15, Schedule B;

AND IN THE MATTER OF an application by Hydro One
Networks Inc. for an Order granting leave to construct
transmission facilities for the Lower Mattagami Reinforcement
Project.

BEFORE: Pamela Nowina
Presiding Member and Vice Chair

Cynthia Chaplin
Member

Paul Sommerville
Member

DECISION AND ORDER

Application and Proceeding

Hydro One Networks Inc. (the “Applicant” or “Hydro One”) filed an application with the Ontario Energy Board (the “Board”) dated April 8, 2009, under section 92 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, Schedule B (the “Act”). The Applicant applied for an order of the Board for leave to construct transmission facilities for the Lower Mattagami Transmission reinforcement Project. The work involves modifying the support towers and adding a second 230 kilovolt (“kV”) three phase transmission circuit to the existing 4.56 km section of line H22D from Harmon Junction to Kipling Generating Station (the “Project”).

The Board assigned File No. EB-2009-0078 to this application and issued a Notice of Application dated May 8, 2009. Hydro One served and published the Notice as directed by the Board. In the Notice of Application the Board indicated that it would hold a written

hearing unless a party justified an oral hearing. The applicant requested a written hearing and there were no requests for an oral proceeding. The Board therefore proceeded by way of a written hearing.

There were two intervenors: the Independent Electricity System Operator (“IESO”) and the Métis Nation of Ontario (“MNO”). The MNO requested and was granted eligibility for costs. The IESO is not eligible for costs.

The Board issued Procedural Order No. 1 on June 11, 2009, making provision for interrogatories to be submitted by June 19, 2009 and for responses to be provided by June 29, 2009. The Board also asked parties to identify if they wished to submit evidence. The MNO indicated it intended to file evidence. Therefore Procedural Order No. 2 was issued on June 30, 2009 providing for intervenor evidence to be submitted by July 7, 2009, interrogatories on this evidence to be filed by July 13, 2009, and for responses to the interrogatories to be filed by July 19, 2009.

The MNO submitted evidence and Interrogatories on the evidence were filed by Board staff. The MNO requested, and was granted, an extension for filing responses to these interrogatories to July 24, 2009. However, on July 24, 2009 a letter was received by the Board from the MNO advising that they had reached an agreement with Hydro One and that the MNO was withdrawing as an active intervenor in the proceeding.

Evidence and Board Findings

Project Need

Hydro One’s evidence indicated that the project was needed to improve reliability of the network and to accommodate future increased generation power at the Kipling Generating Station. The application is supported by Ontario Power Generation because of its need for operational flexibility.

The Board is satisfied that the need for the transmission line is established.

System Impact Assessment and Customer Impact Assessment

An IESO System Impact Assessment (“SIA”) for this project dated November 1, 2008 was included in the pre-filed evidence. The report, which covers more than just the subject of the current application, concludes that the Project will have no negative effect on the reliability of the grid. The SIA includes a number of detailed recommendations and technical requirements. The recommendations relate to protection settings and information, operational matters, settings on equipment and tests to verify equipment capability and facilities.

The Applicant also filed a Customer Impact Assessment (“CIA”) dated January 20, 2009 prepared by Hydro One. In this CIA, Hydro One confirms that short circuit level increases are minimal and that voltage performance is satisfactory.

The Board accepts the evidence provided in the SIA and CIA reports which conclude that the proposed project will neither have a negative impact on the reliability of the grid nor on service to other customers. The Board will require, as part of the conditions of its approval, that the applicant satisfy the requirements of the SIA and CIA

Land Issues

The evidence shows that Notice was properly served. Hydro One advised that property rights had already been obtained and only temporary access rights might still be required. There were no landowner requests for intervenor status. The Board notes that the MNO has withdrawn any opposition to the Project.

The Board concludes that the applicant is dealing with land matters in an appropriate manner.

Environmental Assessments

Hydro One was to submit an Environmental Screening Review (“ESR”) in April 2009. However, the Ministry of the Environment advised that an ESR was not required. Instead Hydro One is seeking to amend the 1994 EA approval that was granted, in accordance with the EA Procedure to Amend. This, Hydro One advises, is expected shortly. Hydro One advises there are no further requirements prior to construction.

The Board is satisfied that Hydro One is fulfilling requirements in respect of Environmental Assessment of the project.

Aboriginal and Community Consultations

Hydro One has consulted with the local community and other stakeholders largely through Ontario Power Generation, as the lead in the Lower Mattagami Reinforcement Study. Evidence was filed documenting contacts and meetings with officials, community organizations and public open houses and information sessions. Hydro One provided evidence of its consultations with those groups. As noted above, the MNO has written to the Board confirming that it has reached an agreement with Hydro One, and is not opposing the Project.

The Board is satisfied that the applicant has appropriately conducted consultations with First Nations and the local community.

Project Costs and Impact upon Ratepayers

It is the applicant's evidence that the proposed facilities will be paid for by Ontario Power Generation and the project will therefore have no significant impact on transmission rates in Ontario.

The Board accepts this evidence.

Conclusion

Having considered all of the evidence related to the application, the Board finds the proposed project to be in the public interest.

THE BOARD ORDERS THAT:

- 1) Pursuant to section 92 of *Act*, Hydro One is granted leave to construct electricity transmission facilities in the Lower Mattagami area as described in the first paragraph of this Order and Decision, subject to the Conditions of Approval attached as Appendix A to this Order.

- 2) The MNO was considered eligible for a cost award. Claims in this regard should conform with the Board's Practice Direction on Cost Awards, and shall be filed with the Board and one copy served on Hydro One by Monday August 17, 2009. Hydro One should review the cost claims and objections must be filed with the Board and one copy must be served on the claimant by Monday August 24, 2009. The MNO will have until Friday August 28 to respond to objections. Again, a copy of the submission must be filed with the Board and one copy is to be served on Hydro One.

ISSUED at Toronto on August 5, 2009

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

APPENDIX A

DECISION AND ORDER

Hydro One Networks Inc.

EB-2009-0078

CONDITIONS OF APPROVAL

**Conditions of Approval for
Lower Mattagami Transmission Line Reinforcement Project (the “Project”)
EB-2009-0078**

1 General Requirements

1.1 Hydro One Networks Inc. (“Hydro One”) shall construct the Project and restore the Project land in accordance with its Leave to Construct application, evidence and undertakings, except as modified by this Order and these Conditions of Approval.

1.2 Unless otherwise ordered by the Board, authorization for Leave to Construct shall terminate December 31, 2012, unless construction of the Project has commenced prior to that date.

1.3 Hydro One shall implement all the recommendations of the Environmental Assessment Approval of 1994 and any amendment thereto, and its own Screening Reports referred to in the pre-filed evidence, and such further and other conditions which may be imposed by environmental authorities.

1.4 Hydro One shall satisfy the Independent Electricity System Operator (“IESO”) requirements and recommendations as reflected in the System Impact Assessment document dated November 1, 2008, and such further and other conditions which may be imposed by the IESO.

1.5 Hydro One shall satisfy the Hydro One Networks Inc. requirements as reflected in the Customer Impact Assessment document dated January 20, 2009, and such further and other conditions which may be found to be necessary.

1.6 Hydro One shall advise the Board's designated representative of any proposed material change in the Project, including but not limited to material changes in the proposed route, construction techniques, construction schedule, restoration procedures, or any other material impacts of construction. Hydro One shall not make a material change without prior approval of the Board or its designated representative. In the event of an emergency the Board shall be informed immediately after the fact.

1.7 Hydro One shall obtain all necessary approvals, permits, licences, certificates and easement rights required to construct, operate and maintain the Project, and shall provide copies of all such written approvals, permits, licences and certificates upon the Board's request.

2 Project and Communications Requirements

2.1 The Board's designated representative for the purpose of these Conditions of Approval shall be the Manager, Electricity Facilities and Infrastructure.

2.2 Hydro One shall designate a person as Project engineer and shall provide the name of the individual to the Board's designated representative. The Project engineer will be responsible for the fulfillment of the Conditions of Approval on the construction site. Hydro One shall provide a copy of the Order and Conditions of Approval to the Project engineer, within ten (10) days of the Board's Order being issued.

2.3 Hydro One shall develop, as soon as possible and prior to the start of construction, a detailed construction plan. The detailed construction plan shall cover all material construction activities. Hydro One shall submit five (5) copies of the construction plan to the Board's designated representative at least ten (10) days prior to the commencement of construction. Hydro One shall give the Board's designated representative ten (10) days written notice in advance of the commencement of construction.

2.4 Hydro One shall furnish the Board's designated representative with all reasonable assistance needed to ascertain whether the work is being or has been performed in accordance with the Board's Order.

2.5 Hydro One shall, in conjunction with Ontario Power generation and the IESO, develop an outage plan which shall detail how proposed outages will be managed. Hydro One shall provide five (5) copies of the outage plan to the Board's designated representative at least ten (10) days prior to the first outage. Hydro One shall give the Board's designated representative ten (10) days written notice in advance of the commencement of outages.

2.6 Hydro One shall furnish the Board's designated representative with five (5) copies of written confirmation of the completion of Project construction. This written confirmation shall be provided within one month of the completion of construction.

3 Monitoring and Reporting Requirements

3.1 Both during and for a period of twelve (12) months after the completion of construction of the Project, Hydro One shall monitor the impacts of construction, and shall file five (5) copies of a monitoring report with the Board within fifteen (15) months of the completion of construction of the Project. Hydro One shall attach to the monitoring report a log of all comments and complaints related to construction of the Project that have been received. The log shall record the person making the comment or complaint, the time the comment or complaint was received, the substance of each comment or complaint, the actions taken in response to each if any, and the reasons underlying such actions.

3.2 The monitoring report shall confirm Hydro One's adherence to Condition 1.1 and shall include a description of the impacts noted during construction of the Project and the actions taken or to be taken to prevent or mitigate the long-term effects of the impacts of construction of the Project. This report shall describe any outstanding concerns identified during construction of the Project and the condition of the rehabilitated Project land and the effectiveness of the mitigation measures undertaken. The results of the monitoring programs and analysis shall be included and recommendations made as appropriate. Any deficiency in compliance with any of the Conditions of Approval shall be explained.

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