



EB-2007-0691

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

AND IN THE MATTER OF a notice of proposal filed by
Kruger Energy Inc. under section 81 of the *Ontario Energy
Board Act, 1998*.

PROCEDURAL ORDER NO. 1

On July 17, 2007, Kruger Energy Inc. ("KEI") filed a notice of proposal with the Ontario Energy Board (the "Board") under section 81 of *Ontario Energy Board Act, 1998* (the "Act"). The notice of proposal relates to KEI's proposal to construct and operate a 100 MVA substation in the Municipality of Chatham-Kent. The proposed facility, which would be located near the Bloomfield Business Park, would be connected to the 230 kV transmission lines between the Chatham Transformer Station and the Lauzon Transformer Station. The Board has assigned the notice of proposal file number EB-2007-0691.

Under section 81 of the Act, a generator or an affiliate of a generator cannot, among other things, acquire an interest in a transmission or distribution system in Ontario or construct a transmission or distribution system in Ontario unless it has first given notice of its proposal to do so to the Board and the Board has not issued a notice of review or has approved the proposal under section 82 of the Act.

On September 13, 2007, the Board issued its notice of review of KEI's notice of proposal under section 81 of the Act. In accordance with section 82 of the Act, the Board has proceeded with the review of the proposal. The Board issued a Notice of Written Hearing on September 25, 2007. KEI served and published the Notice of Written Hearing during the period of September 27 to 29, 2007. Four parties have been granted intervenor status in the proceeding. An intervenor list is attached as Appendix A to this procedural order.

In response to the Notice of Written Hearing, one of the intervenors requested an oral hearing. The reason provided was that an oral hearing would allow for an open, transparent and full dialogue between all parties. The Board notes that since a written hearing also provides for an open, transparent and full dialogue between all parties, this is not a reason to hold an oral hearing. However, given the unique nature of this case, it is possible that an oral hearing may be warranted. The Board is reserving its decision regarding whether or not to hold an oral hearing until after the steps in this procedural order have been completed.

The Board reminds all parties that section 82(3) of the Act states that the "Board shall make an order approving a proposal described in section 81 if it determines that the impact of the proposal would not adversely affect the development and maintenance of a competitive market." Therefore, the sole issue in this proceeding is whether the impact of the proposal adversely affects the development and maintenance of a competitive market. All evidence, interrogatories, and submissions in this proceeding must be focused on answering that question.

The Board considers it necessary to make provision for the following matters related to this proceeding. The Board may issue further procedural orders from time to time.

THE BOARD ORDERS THAT:

1. To the extent that it has not already done so, KEI shall immediately provide a copy of the notice of proposal to the intervenors.
2. KEI shall file any evidence that is relevant to the hearing with the Board and deliver it to the intervenors on or before November 5, 2007.
3. Intervenors and Board staff who wish information and material from KEI that is in addition to the evidence filed with the Board, and that is relevant to the hearing, shall request it by written interrogatories filed with the Board and delivered to KEI and all intervenors on or before November 12, 2007.
4. KEI shall file complete responses to the interrogatories with the Board and deliver them to the intervenors on or before November 19, 2007.
5. Intervenors and Board staff who wish to submit evidence regarding the notice of proposal must file that evidence with the Board and deliver it to KEI and all intervenors on or before November 26, 2007.

6. The Board will make provision for KEI and intervenors to test the intervenor and Board staff evidence should any evidence be filed.
7. Evidence and interrogatories filed under steps 2 to 5 above must be related to the impact of the proposal on the development and maintenance of a competitive market.
8. All filings to the Board noted in this procedural order must be in the form of **four (4) hard copies** and an electronic copy in searchable PDF format, filed with the Board Secretary at the Board's mailing address and by email (Boardsec@oeb.gov.on.ca) **by 4:45 p.m. on the specified dates.**

ISSUED at Toronto, October 26, 2007

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

APPENDIX A

KRUGER ENERGY INC.

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LIST OF PARTIES

Applicant	Rep. And Address for Delivery
Kruger Energy Inc.	Mr. Guy Paquette Director of Legal Affairs Kruger Inc. 3285 Chemin Bedford Montreal QC H3S 1G5 Tel: (514) 343-3247 Fax: (514) 343-3124 Email: gpaquette@kruger.com
AND	Mr. Andrew Smith Borden Ladner Gervais LLP Scotia Plaza 40 King Street West Toronto ON M5H 3Y4 Tel: (416) 367-6734 Fax: (416) 682-2836 Email: ansmith@blgcanada.com
Intervenors	Rep. And Address for Delivery
Allus Power Inc.	Hon. Joe Fontana President Allus Power Inc. 202-620 Richmond Street London ON N6A 5J9 Tel: (519) 645-4910 Fax: (519) 645-6668 Email: joe.fontana@allus.ca

Intervenors	Rep. And Address for Delivery
Chatham-Kent Hydro Inc.	<p>Mr. Jim Hogan Chief Financial and Regulatory Officer Chatham-Kent Energy Inc. 320 Queen St. Chatham ON N7M 5K2</p> <p>Tel: (519) 352-6300 (277) Fax: (519) 352-9860 Email: jimhogan@ckenergy.com</p>
AND	<p>Mr. Dave Kenney President Chatham-Kent Hydro Inc. 320 Queen St. Chatham ON N7M 5K2</p> <p>Tel: (519) 352-6300 (261) Fax: (519) 352-9860 Email: davekenney@ckhydro.com</p>
Independent Electricity System Operator	<p>Mr. Carl Burrell Senior Regulatory Analyst Regulatory Affairs Independent Electricity System Operator 655 Bay Street Suite 410, PO Box 1 Toronto ON M5G 2K4</p> <p>Tel: (416) 506-2858 Fax: (416) 506-2847 Email: carl.burrell@ieso.ca</p>
Ontario Power Authority	<p>Ms. Miriam Heinz Regulatory Coordinator, Legal and External Affairs Ontario Power Authority 120 Adelaide Street West Suite 1600 Toronto ON M5H 1T1</p> <p>Tel: (416) 967-7474 Fax: (416) 967-1947 Email: miriam.heinz@powerauthority.on.ca</p>