

Hydro One Networks Inc.

8th Floor, South Tower
483 Bay Street
Toronto, Ontario M5G 2P5
www.HydroOne.com

Tel: (416) 345-5700
Fax: (416) 345-5870
Cell: (416) 258-9383
Susan.E.Frank@HydroOne.com

Susan Frank

Vice President and Chief Regulatory Officer
Regulatory Affairs



BY COURIER

November 30, 2007

Ms. Kirsten Walli
Secretary
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Walli:

**EB-2007-0050 – Hydro One Networks Inc.'s Section 92 Application re: Bruce – Milton
Transmission Reinforcement project – Updated and New Exhibits**

I attach ten (10) paper copies and a CD with electronic copy of updated and new exhibits to reflect various changes that have occurred since the pre-filing of material on March 29, 2007. These changes include:

- A new exhibit (B-3-2) which has been included in the Application to address local route refinement options in Halton Hills, Camp Creek and Hanover/Brockton/West Grey, consistent with Hydro One's letter to the Board of October 23, 2007. These route refinement options are being included at this time to be responsive to landowner concerns and to allow for examination, in the section 92 proceeding, of these routing options as they relate to the price, quality and reliability of electricity service. The route refinement options have the effect of modifying the applied-for general location of the Project. A map has been included in B-3-2, Appendix 1 to reflect the larger area in which the route refinement options may occur. This map revises the map included in the pre-filing at B-2-2. Selection of a specific detailed route within the revised general location will occur as part of the Environmental Assessment.
- Updated Project Economics evidence to reflect revised OEB-approved provincial uniform transmission rates and Hydro One's revised, OEB-approved capital structure and cost of capital assumptions, per recent OEB decisions regarding Hydro One Transmission.
- Updated OPA and Hydro One evidence concerning Need to reflect the revised OPA contract with Bruce Power, and to reflect updated Bruce Power nuclear unit capacities.
- Updates to the Project schedule and related parts of the evidence to reflect Hydro One's decision to delay the start of the expropriation process until after receiving EA approval, instead of after receiving conditional OEB approval. This change will provide more time for consultations and negotiations with landowners to occur.

- Updated Stakeholder Consultation evidence to reflect the consultation activities that have occurred since the pre-filing.
- Updates to various other exhibits to reflect these and other changes and corrections.

The updates are filed on blue pages.

Hydro One intends to notify potentially affected landowners in the route refinement areas of Halton Hills, Camp Creek and Brockton/Hanover/West Grey so that they may participate in the section 92 proceeding. Hydro One requests that the Board provide a Letter of Direction in that regard.

Notices are expected to be delivered to potentially affected landowners by mid-January, and Hydro One would suggest that this timing would allow for the section 92 process to re-start, for the previous and any new participants, around the middle of March, 2008, beginning with the interrogatory phase. Assuming standard procedural steps occurring afterward, Hydro One estimates that this could lead to an oral hearing in June, 2008.

As discussed in the updated A-1-1 and in the new B-3-2, Hydro One is now seeking to include the potential route refinement areas as part of the applied-for general location in which the detailed route for the Bruce to Milton project will be located; and Hydro One requests that the Board, should it grant leave to construct, do so on that basis.

Hydro One expects to apply, as necessary, for early access rights under section 98 of the *OEB Act, 1998*, to conduct surveys and other pre-construction activities on properties in the route refinement areas.

EB-2007-0050 intervenors who previously requested and received hard copy of the Application and evidence are being sent a paper copy of this letter and the evidence updates. All intervenors will receive an email with revised exhibit A-1-1. The email will also inform intervenors that paper copies of this update package have been filed with the OEB and that intervenors who previously received paper will be receiving a paper copy of the updates. The email will also advise remaining intervenors who did not request hard copy previously that a paper copy of the complete prefilled evidence binder set including these updates can be provided upon request to Hydro One.

Finally, electronic copy (text searchable Acrobat format) will be posted on the Hydro One Networks external regulatory web page at –

http://www.hydroonenetworks.com/en/regulatory/oeb_applications/

Sincerely,

ORIGINAL SIGNED BY SUSAN FRANK

Susan Frank

c. EB-2007-0050 Participants (paper copy by courier)

Attach.

ONTARIO ENERGY BOARD

In the matter of the *Ontario Energy Board Act, 1998;*

And in the matter of an Application by Hydro One Networks Inc., for an Order or Orders granting leave to construct a new 500 kV transmission line in southwestern Ontario and the Greater Toronto Area, from the Bruce Power Complex on Lake Huron to the town of Milton (the “Bruce to Milton Transmission Reinforcement Project” or the “Project”).

APPLICATION

1. The Applicant is Hydro One Networks Inc. (Hydro One), a subsidiary of Hydro One Inc. The Applicant is an Ontario corporation with its head office in the City of Toronto. Hydro One carries on the business, among other things, of owning and operating transmission facilities within Ontario.
2. Hydro One hereby applies to the Ontario Energy Board (the Board) pursuant to section 92 of the *Ontario Energy Board Act, 1998* for an order or orders granting leave to construct approximately 180 km of double-circuit 500 kV transmission line in Bruce, Grey, Wellington, and Dufferin counties, in the regional municipality of Halton, and in the municipalities of Kincardine, Brockton, Hanover, West Grey, Southgate, Wellington North, Erin, East Luther Grand Valley, East Garafraxa, Halton Hills and Milton.
3. The Ontario Power Authority (OPA) has determined that the 500 kV line is required to meet the increased need for transmission transfer capability from the Bruce to the Greater Toronto Area associated with the development of committed and forecast wind power in the Bruce area, and the return to service of two nuclear units at the

1 4. Bruce Power Complex, and has advised Hydro One to initiate the activities necessary
2 to build the new line. The Bruce project was included in the OPA's preliminary
3 IPSP; however, the OPA has indicated that the project cannot await the outcome of
4 the IPSP proceeding if it is to meet the earliest possible in-service date of December,
5 2011. The OPA's determination is included in a letter sent to Hydro One on March
6 23, 2007 and included in this application at Exhibit B, Tab 6, Schedule 5, Appendix
7 5.

8
9 5. A map showing the general location of the proposed transmission line is included in
10 Exhibit B, Tab 2, Schedule 2.

11
12 6. The proposed line will run within a widened existing 500 kV and/or 230 kV
13 transmission corridor from the Bruce Power Complex to Hydro One's Milton
14 Switching Station (SS). Hydro One will seek to negotiate directly with landowners to
15 secure the land rights associated with the widened corridor, including those required
16 for temporary construction access, and expects that it will be able to acquire these
17 rights, for the most part, through easement agreements with landowners. Where
18 residential dwellings and/or major operational buildings are affected by the widened
19 corridor, buyouts of entire properties may be involved. Landowner discussions began
20 in the summer of 2007. In order to meet the urgent in-service timelines, Hydro One
21 plans to utilize the expropriation process under the *Ontario Energy Board Act* and the
22 *Expropriations Act* after receiving *Environmental Assessment Act* approval. At the
23 point of filing this section 92 application, no direct consultation/negotiation with
24 private landowners had occurred.

25
26 7. Hydro One applied on March 30, 2007, under section 98 of the *OEB Act* for an
27 Interim Order of the Board providing for access by Hydro One and its agents to land
28 affected by the proposed facilities, prior to receiving leave to construct approval for

1 those facilities from the Board. The access sought was for the limited purpose of
2 conducting legal and engineering surveys, soil testing, property appraisals, biological
3 and archaeological surveys and environmental investigations, together with route
4 access for testing-related vehicles and equipment. Hydro One received OEB section
5 98 approval on August 20, 2007.

- 6
- 7 8. This Application is supported by written evidence which includes details of the
8 Applicant's proposal for the new transmission line reinforcement. The evidence has
9 been prepared consistent with the Board's Filing Guidelines for Transmission and
10 Distribution Applications (EB-2006-0170). The written evidence is pre-filed as
11 attached and may be amended from time to time, prior to the Board's final decision on
12 this Application. Further, the Applicant may seek meetings with Board Staff and
13 intervenors in an attempt to identify and reach agreements to settle issues arising out
14 of this Application.

15

16 The project is subject to an individual Environmental Assessment (EA) under Part II
17 of the *Environmental Assessment Act*. Hydro One has begun the EA process and
18 expects to receive EA approval by January 2009, which is likely to be well after the
19 Board is ready to render a decision on this section 92 application. Should EA
20 approval not be received prior to the Board making its determination on this
21 Application, Hydro One requests that the Board grant leave to construct approval
22 conditional on EA approval.

- 23
- 24 9. On October 23, 2007, Hydro One informed the Board and intervenors that it expected
25 to file evidence on November 30, 2007, pertaining to routing options that are under
26 study in three areas (Halton Hills, Camp Creek and Brockton/Hanover/West Grey) as
27 potential alternatives to the reference route. While an examination of routing options,
28 and final selection of the detailed route, are matters for the environmental assessment

1 process to determine, these routing options affect the applied-for general location of
2 the Project more particularly shown in this Application on the map included in Exhibit
3 B, Tab 2, Schedule 2. As such, this map has now been revised to include the route
4 refinement areas so that these areas now form part of the applied-for general location
5 in which the Project is proposed to be situated. The revised map is included in the
6 newly-filed Exhibit B, Tab 3, Schedule 2, Appendix 1.

7
8 10. Hydro One's understanding of the Issues to be considered in this proceeding
9 respecting the examination of routing options is that these matters are limited to their
10 impacts on the price of electricity to consumers, and the reliability and quality of
11 electricity service, per section 96 of the *OEB Act*. Hydro One does not expect any of
12 the local route refinement options to have a material impact on the costs of the Bruce
13 to Milton project, relative to the cost of the reference route. As such, in the event any
14 of the route refinement options are selected, no material impact on price of electricity
15 service to consumers is expected. The local route refinements will also have no or
16 minimal impact on the quality or reliability of electricity service.

17
18 11. Based on these expected minor impacts, Hydro One requests that the Board include
19 the route refinement areas, as described in the evidence, as part of the applied-for
20 general location in which the detailed route for the Bruce to Milton project will be
21 located, and further requests that leave to construct, should it be provided, be granted
22 on that basis. The determination of the final route will, as noted above, be made after
23 the EA process is complete.

24
25 12. Hydro One requests that a copy of all documents filed with the Board be served on the
26 Applicant and the Applicant's counsel, as follows:
27

1 a) The Applicant:

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3 Mr. Glen MacDonald

4 Senior Advisor - Regulatory Research and Administration

5 Hydro One Networks Inc.

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7 Mailing Address: 8th Floor, South Tower
8 483 Bay Street,
9 Toronto, Ontario
10 M5G 2P5

11

12 Telephone: (416) 345-5913

13 Fax: (416) 345-5866

14 Electronic access: glen.e.macdonald@HydroOne.com

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16 b) The Applicant's counsel:

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18 Mr. Gord Nettleton

19 Osler, Hoskin and Harcourt LLP

20

21 Mailing Address: Suite 2500, TransCanada Tower
22 450 First Street S.W.
23 Calgary, Alberta
24 T2P 5H1

25

26 Telephone: (403) 260-7047

27 Fax: (403) 260-7024

28 Electronic access: gnettleton@osler.com