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March 10th, 2008

VIA E-Mail: gerry.phillips@ontario.ca

Minister of Energy
4th Floor,
Hearst Block,
900 Bay Street
Toronto, ON
M7A 2E1

Attention: **The Honourable Gerry Phillips**

Dear Mr. Minister:

**RE: PROPOSED 500 KV TRANSMISSION LINE - BRUCE TO MILTON
OEB FILE NO. EB - 2007 - 0050**

We are writing to you on behalf of approximately 40 individual interveners, owning approximately 25 parcels of land, known as the "Fallis Group of Intervenors" who have obtained 'intervener status' in the above proceedings before the Ontario Energy Board, ('OEB'), commenced by the application of Hydro One Networks Inc. ('HONI'), to construct a 180KM, 500KV Transmission Line from the Bruce Generating Stations to Milton TS to be in service by December 31, 2011.

The OEB proceedings were initiated on March 29, 2007 by HONI to obtain permission for leave to construct the Transmission Line under Sec. 92 of the OEB Act. Over 4 months later on August 4th, 2007 HONI made an application to the Minister of the Environment ('MOE'), for Terms of Reference approval for Environmental Assessment Act, ('EA'), Approval by the Minister for the route choices selected by HONI within which it seeks to construct the 500 KV Transmission Line.

At issue in the proceedings is whether there is a need to construct a new 500 KV Line for a generation capacity from the Bruce 'A' & Bruce 'B' which will increase from 5,060 MW to 6,560 MW after the bringing back into service of Units 1 & 2 of Bruce 'A', presently being re-commissioned for power generation to come on stream within the next 3 years. The anticipated cost to consumer ratepayers will be in excess of \$635 million. In short, do the existing 5 high voltage transmission lines presently have the capacity to receive the 6,560 MW of anticipated power to be

generated from the anticipated and fully operational '8' nuclear reactor Units within Bruce 'A' and 'B'?

The OEB Hearings for Leave to Construct are presently scheduled to commence on May 1, 2008. The OEB has directed, in its Procedural Order # 5, that all interveners submit their written interrogatories to the Board and the Applicant, HONI by March 10th, 2008. The OEB has required that full written responses be delivered to the Intervener submitting each Interrogatory within 2 weeks of the request and that if the interrogatory recipient cannot answer any one Interrogatory that it so advise the Intervener and the OEB within 3 business days of the question, (the 1st business day being the actual date of submission). Failing such advice full answer could be expected to each interrogatory within 2 weeks.

The Interrogatories submitted to HONI by the Fallis Group consisted of in excess 100 questions, the bulk of which required HONI to provide full answers to historic questions involving all 3 nuclear GS at the Bruce including the Douglas Point Reactor, all five transmission lines, (three 230KV and two 500KV), with technical information questions starting in the mid 1960's until the present. This information is crucial to a full understanding of the present and future transmission capacities of the existing 5 transmission lines running from the Bruce. Without such information a request for an adjournment of the Hearings will be requested by Motion to the OEB which can only delay the construction of the proposed line if approval is eventually granted by the OEB. Without that information it is very conceivable that the OEB may not grant approval until such time as that historic information is made available.

Counsel for HONI advised the OEB and all Intervenors in writing on February 26th, 2008, that the limit of its historic information was 2002 , and that none of the Independent Electrical System Operator, ('IESO'), the Ontario Power Authority, ('OPA'), or HONI, had any information or access to information on the history of generation levels from each Bruce GS, nor information on and the transmission capacity of each of the 5 transmission lines prior to 2002, and it listed a multitude of interrogatories that it could not answer.

As a consequence of such refusal or inability to answer any such requests for historic generation or transmission information, these Intervenors made a formal written request of Bruce Power for such information by way of Interrogatories submitted on February 29th, 2008. Bruce Power replied to these Intervenors by E-mail on March 6th, 2008 through their solicitors, McCarthy Tetrault, advising that they were not a party to those proceedings and that Bruce Power does not intend to make any reply whatsoever to any of the questions asked of Bruce Power.

As Bruce Power will be recipient of the benefit of the transmission capacity of the proposed new 500 KV Line, it is our opinion that Bruce Power would be deemed in law to be a '*driver*' of the application within the Rules of the OEB. The OEB Rules of Procedure mandate that the OEB must test the evidence of the '*drivers*' as well, rather than accept hearsay evidence of the Applicant. We believe that Bruce Power ought to be mandated to provide evidence to the OEB.

As Bruce Power has refused to supply any answers to the Interrogatories asked of it, and HONI has advised that it, the OPA and the IESO have no access to information prior to 2002, we are formally requesting your immediate assistance in providing full answers to all of the Interrogatories asked of Bruce Power and HONI. As the Government of Ontario is the sole

shareholder of Ontario Power Generation, and successor to Ontario Hydro which operated the Bruce until its transfer to Bruce Power, and until it transferred its Transmission lines to HONI, (which it also controls) our clients, the Interveners opine that you and your Ministry ought to be privy to all of that historic information. This information is needed by March 25th at the latest to comply with the very tight time-lines established by the OEB so that the OEB hearings may commence on May 1, 2008.

Accordingly we enclose at this time a full set of Interrogatory questions which, we feel, if answered by you, the information so generated will enable OEB to have before it the best information available to you so that it can make its eventual decision on the basis of a complete information package.

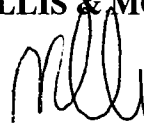
If you or your Ministry do not have information available to answer any one question would you please advise us of your understanding as to where and from whom such answers to such interrogatories might otherwise be readily obtained.

Your co-operation and input may serve to shorten proceedings before the Board and result in a much earlier decision and start-up construction should the OEB grant approval to construct.

We would look forward to hearing from you. We remain,

Yours truly,

FALLIS FALLIS & MCMILLAN



Peter T. Fallis

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