

Ms. Kirsten Walli
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February 22, 2008

Dear Ms. Walli:

VIA EMAIL

Re: Chris Aristides Pappas - Written Interrogatories - Part 2
ER-2007-0050 - Hydro One - B-Milton Transmission
Reinforcement Project - per Procedural Order #4

Pursuant to the Board's oral decision on February 21, 2008, I submit my second set of written interrogatories to Hydro One, regarding this matter.

Yours truly,
Chris Aristides Pappas

cc: Applicant and Intervenors

PREAMBLE:

Following, is an excerpt from the Transcript of the Technical Conference, Day 1, Oct. 15, 2007.

Mr McKay's comments regard the Series Compensation Due Diligence Study. I maintain that this study is an absolute prerequisite to the advancement and approval or denial of this Application. This study involves matters of both the project alternatives and possible near term and Interim measures.

Questions by Mr. McKay

MR. McKAY: I will be very quick. Can you turn up on your slides the summary of options for screening results? That is the matrix.

Can you give us a bit more explanation on the category for limited effects on other paths, in terms of what that criteria is and what it is used in terms of how you use it to evaluate in terms of eliminating certain of these alternatives.

MR. CHOW: The southwestern Ontario network is quite interconnected in terms of it is not an isolated system. It affects many other paths.

When we look at this in combination with providing required capability - and in this case you look at it together, side by side - it gives you an indication that, one, does it have the capability; two, when you actually have that system, does it affect, in this case, negatively on other paths?

So in the case of Bruce to Essa, that's an easy one. The power from Bruce is being sent up to Barrie, to Essa. There it's getting combined with the flow for northern Ontario and it all shares the same path from Essa down to Claireville, Barrie to Toronto.

So in that case there, its impact is going to reduce the transfer capability on that path by 1000 megawatts. So it is a consideration because it is negatively affecting other paths.

In the case of series capacitors on the 500 kV line and the Bruce-to-Longwood-to-Middleport, the path is affecting to a large degree the flow coming from west to east through the London area. Because you lose the Bruce-to-Milton line, the power from Bruce going down the Bruce-Longwood line is combined with the flow coming in from the Sarnia and Windsor area, and together they travel the path between London and Nanticoke.

So, again, it has a negative impact on the ability -- in other words, they

share the power one way or the other. The one path requires the power. The other one has to back off.

So in a way, it is a negative, but the way we look at it is a combination of both the first column and the second column.

MR. McKAY: On that basis, I guess one criteria, you discounted the series capacitors as a long-term solution; that and the fact that it doesn't have the capacity?

MR. CHOW: Mainly that it doesn't have the capacity. It is capable of seven units versus 700 megawatts of wind.

MR. McKAY: When you did that analysis, were you including generation rejection?

MR. CHOW: No, because we are looking at this set as a long-term solution.

MR. McKAY: That is an isolated analysis on simply the series capacitors?

MR. CHOW: Yes.

MR. McKAY: So you rejected the series capacitors on a long-term basis, and then from the green-line graph that we have seen today, you have made it quite clear that you don't need it on an interim basis with the near-term and the interim measures you want to put in place.

So the question I have is: Why are you continuing with the study? You don't need it in the long term, and it's pretty clear that you don't need it to meet the interim requirements.

MR. CHOW: The answer is on the next slide after that, on the interim. The decision on series compensation will be made in consideration of the line-in-service date. In other words, will it be late, the effectiveness of the other measures.

We believe that the GR, in combination with the other measures, will provide us the necessary capability. When we actually end that phase there, we want to see how close we are, and also the progress of generation additions on the system.

MR. McKAY: That's a change in the evidence; right?

MR. CHOW: At that time, series compensation is a possibility. I am indicating here it is still a possibility, with those considerations. So it is always looked at as a back-pocket solution that we would put in if certain conditions are met.

MR. McKAY: As a final question, a lot of talk today about this study that's being done. I'm assuming that there were some form of terms of reference or something that put some bounds around what this study is, what it is supposed to produce, what you expect.

Is that available if we ask that in an interrogatory?

MR. CHOW: This is related to the due-diligence study on series compensation?

MR. McKAY: Yes.

MR. CHOW: Yes. Its terms of reference were developed for the consultant. It would be a part of the attachment of the report, and, yes, on request in an interrogatory.

MR. McKAY: Can we get it now or get it within a couple of weeks?

MR. NETTLETON: The trouble that I am having is the message that we have communicated to all of the parties has been that we are prepared to look at these requests for additional information through the interrogatory process.

I will have to check the procedural order, but I think there is a due date on when IRs are due and there is a due date on when the responses are due.

So I think if people want to ask us interrogatories now, they could; and we can hopefully get through the interrogatories as fast as possible. If your interrogatory came in with that request, we would be able to get it done sooner rather than later.

MR. McKAY: No. I appreciate that, Mr. Nettleton, but I guess the question was, I'm assuming that in order to get this report done, you would have had to put terms of reference together. That document, I'm assuming, is available today, now; obviously we're not going to ask to produce it here today, but as an interrogatory, it would be good to have the confidence that you wouldn't object to it being filed as an answer to an interrogatory.

MR. NETTLETON: I'm not hearing any objection from OPA.

MR. McKAY: Thanks.

Interrogatory No. 6

Ref. 1) Procedural Order No. 4/APPENDIX B [Leave to Construct Application by Hydro One Networks EB-2007- 0050 DATED February 7, 2008]

2) Technical Conference, Day 1 [Oct. 15, 2007]: Transcript - Mr. McKay

Issue Number: 1.1

1.1 Issue: Has the need for the proposed project been established?

Issue Number: 2.1

2.1 Issue: Have all reasonable alternatives to the project been

identified and considered?

Issue Number: 2.2

2.2 Issue: Has an appropriate evaluation methodology been applied to all the alternatives considered?

Issue Number: 2.4 a)

2.4 a) Issue: Have appropriate evaluation criteria and criteria weightings been utilized in the evaluation process for the alternatives and the proposed project and what additional criteria/weightings could be considered?

Issue Number: 3.1

3.1 Issue: Are the proposed near term and interim measures as outlined in the application appropriate?

Request

Will, the Applicant and it's Proponents [OPA, IESO] provide the Intervenors, and the Board, with the relevant documents, studies, communications, consultations or reports, draft or final, regarding the OPA due diligence report on Series Compensation [capacitors]?

Interrogatory No. 7

Ref. 1) Procedural Order No. 4/APPENDIX B [Leave to Construct Application by Hydro One Networks EB-2007- 0050 DATED February 7, 2008]

2) Technical Conference, Day 1 [Oct. 15, 2007]: Transcript - Mr. McKay

Issue Number: 1.1

1.1 Issue: Has the need for the proposed project been established?

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Issue Number: 2.4 a)

2.4 a) Issue: Have appropriate evaluation criteria and criteria weightings been utilized in the evaluation process for the alternatives and the proposed project and what additional criteria/weightings could be considered?

Issue Number: 3.1

3.1 Issue: Are the proposed near term and interim measures as

outlined in the application appropriate?

Request

Will, the Applicant et al provide the Board and the Intervenors with those documents, studies, communications, consultations or reports, draft or final, regarding the OPA due diligence report on Series Compensation [capacitors] immediately, as it is absolutely necessary for the Intervenors to be able to frame Interrogatories based on these and appropriate time for review and production?

Interrogatory No. 8

Ref. 1) Procedural Order No. 4/APPENDIX B [Leave to Construct Application by Hydro One Networks EB-2007- 0050 DATED February 7, 2008]

2) Technical Conference, Day 1 [Oct. 15, 2007]: Transcript - Mr. McKay

Issue Number: 1.1

1.1 Issue: Has the need for the proposed project been established?

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2.1 Have all reasonable alternatives to the project been identified and considered?

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2.2 Issue: Has an appropriate evaluation methodology been applied to all the alternatives considered?

Issue Number: 2.4 a)

2.4 a) Issue: Have appropriate evaluation criteria and criteria weightings been utilized in the evaluation process for the alternatives and the proposed project and what additional criteria/weightings could be considered?

Issue Number: 3.1

3.1 Issue: Are the proposed near term and interim measures as outlined in the application appropriate?

Request

Will the Applicant et al also provide Board and the Intervenors with these documents, studies, communications, consultations or reports, draft or final, regarding the OPA due diligence report on Series Compensation [capacitors] as hardcopy [printed], so that they can be included in the Application binder with the other documentation relevant

to this application, which the Applicant previously provided?

Interrogatory No. 9

Ref. 1) Procedural Order No. 4/APPENDIX B [Leave to Construct Application by Hydro One Networks EB-2007- 0050 DATED February 7, 2008]

2) Technical Conference, Day 1 [Oct. 15, 2007]: Transcript - Mr. McKay

Issue Number: 1.1

1.1 Issue: Has the need for the proposed project been established?

Issue Number: 2.1

2.1 Have all reasonable alternatives to the project been identified and considered?

Issue Number: 2.2

2.2 Issue: Has an appropriate evaluation methodology been applied to all the alternatives considered?

Issue Number: 2.4 a)

2.4 a) Issue: Have appropriate evaluation criteria and criteria weightings been utilized in the evaluation process for the alternatives and the proposed project and what additional criteria/weightings could be considered?

Issue Number: 3.1

3.1 Issue: Are the proposed near term and interim measures as outlined in the application appropriate?

Request

Will the Applicant provide the Board and the Intervenors with the parameters they set for the Due Diligence Study on Series Compensation [capacitors]? In fact, will they also supply all pertinent communications between the Applicant, OPA, IESO and any consultants, regarding the initiation, terms of reference, parameters, limitations, and undertaking of the consultation/study?

Interrogatory No. 10

Ref. 1) Procedural Order No. 4/APPENDIX B [Leave to Construct Application by Hydro One Networks EB-2007- 0050 DATED February 7, 2008]

2) Technical Conference, Day 1 [Oct, 15, 2007]: Transcript - Mr.

McKay

Issue Number: 1.1

1.1 Issue: Has the need for the proposed project been established?

Issue Number: 2.1

2.1 Issue: Have all reasonable alternatives to the project been identified and considered?

Issue Number: 2.2

2.2 Issue: Has an appropriate evaluation methodology been applied to all the alternatives considered?

Issue Number: 2.4 a)

2.4 a) Issue: Have appropriate evaluation criteria and criteria weightings been utilized in the evaluation process for the alternatives and the proposed project and what additional criteria/weightings could be considered?

Issue Number: 3.1

3.1 Issue: Are the proposed near term and interim measures as outlined in the application appropriate?

Request

Will the Applicant provide the Board and the Intervenor with the parameters they set for the Due Diligence Study on Series Compensation [capacitors] and all pertinent communications between the Applicant, OPA, IESO and any consultants, regarding the initiation, terms of reference, parameters, limitations, and undertaking of the consultation/study, immediately, as it is absolutely necessary for the Intervenor to be able to frame Interrogatories based on these and appropriate time for review and production?

Interrogatory No. 11

Ref. 1) Procedural Order No. 4/APPENDIX B [Leave to Construct Application by Hydro One Networks EB-2007- 0050 DATED February 7, 2008]

2) Technical Conference, Day 1 [Oct. 15, 2007]: Transcript - Mr. McKay

Issue Number: 1.1

1.1 Issue: Has the need for the proposed project been established?

Issue Number: 2.1

2.1 Have all reasonable alternatives to the project been identified and considered?

Issue Number: 2.2

2.2 Issue: Has an appropriate evaluation methodology been applied to all the alternatives considered?

Issue Number: 2.4 a)

2.4 a) Issue: Have appropriate evaluation criteria and criteria weightings been utilized in the evaluation process for the alternatives and the proposed project and what additional criteria/weightings could be considered?

Issue Number: 3.1

3.1 Issue: Are the proposed near term and interim measures as outlined in the application appropriate?

Request

Will the Applicant et al also provide the Board and the Intervenors with the parameters they set for the Due Diligence Study on Series Compensation [Capacitors] and all pertinent communications between the Applicant, OPA, IESO and any consultants, regarding the initiation, terms of reference, parameters, limitations, and undertaking of the consultation/study as hardcopy [printed], so that they can be included in the Application binder with the other documentation relevant to this application, which the Applicant previously provided?

