



May 31, 2010

Ms. Kirstin Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Re: Transmission Project Development Planning EB-2010-0059

Dear Ms. Walli:

Chatham-Kent Hydro Inc. and Middlesex Power Distribution Corporation welcome the opportunity to comment on Ontario Energy Board Staff discussion paper on Transmission Project Development Planning.

Please find attached the joint submission from Chatham-Kent Hydro Inc. and Middlesex Power Distribution Corporation ("CKH/MPDC").

Yours truly,

A handwritten signature in black ink, appearing to read "Cheryl Decaire".

Cheryl Decaire
Co-ordinator of Regulatory and Rates
(519) 352-6300 ext 405
Email: cheryldecaire@ckenergy.com

cc: Chris Cowell, Chief Financial and Regulatory Officer



Transmission Project Development Planning

EB-2010-0059

Comments from:
Chatham-Kent Hydro Inc. and
Middlesex Power Distribution Corp.

1. Should new entrants be required to be licensed as transmitters as a condition of participation in a designation process?

For projects requiring a leave to construct, CKH/MPDC believes that it is appropriate to require new entrants to be licensed by the Board as a transmitter. As noted by the Board staff, such a requirement will help ensure that applicants meet minimum requirements with respect to financial and technical capability thus allowing the review process to be completed faster than it otherwise would be and providing some comfort as to the fit of the applicant with the Ontario market.

Limiting applications to a pre-qualified group will also help to balance the need for multiple transmitters against the inefficiency (regulatory and planning) which arises as the number of participants grows.

For projects that do not require a leave to construct, CKH/MPDC believes that the pool of eligible applicants should be expanded to include Ontario distributors. This would further economic efficiency as distributors are already regulated by the Board and play an important role in regional planning. Many other jurisdictions in the U.S have distributors that also own transmission systems within their service territory. The Green Energy and Green Economy act permits Distributors to own small DG facilities and we believe it would be logical to also encourage Distributors to own transmission facilities.

2. How long would it take to prepare transmission project development plans (i.e., how much time should be given for filing transmission project development plans after notice of the designation process has been given)?

CKH/MPDC believes that a minimum of 3 months is required but the length of time would depend on the complexity of the project. A range of 3 to 6 months would be more appropriate. The timeframe selected by the Board should also consider the fact that the initial ECT report is expected to identify multiple network expansion and enabler projects and as such, transmitters may wish/need to prepare multiple submissions. Also, if a 3rd party connection impact assessment is required it will increase the time required to prepare a development plan.

3. Are these appropriate decision criteria? Should the decision criteria be weighted and if so which are most important?

In addition to the 6 criteria identified by Board Staff, CKH/MPDC believes an additional regional category should be considered. As noted in Appendix A of the Board staff report, the Public Utility Commission of Texas considered the geographic proximity of projects in order to achieve several advantages including economies of scale related to planning, certification, construction, and operation and maintenance. CKH/MPDC believes that the number of transmitters in a particular regional should be limited to gain similar efficiencies. CKH/MPDC

appreciates that the transmission system requires high level provincial planning but emphasize that it also requires regional planning similar to the method identified in the IPSP.

Though all the identified criteria are important, CKH/MPDC believes cost and schedule will be of utmost importance as the volume of projects will likely be significant, and the timing of connections will be critical.

4. Are staff proposals regarding the implications of plan approval reasonable?

CKH/MPDC agrees with the staff proposals and believes the cost recovery mechanisms are reasonable. CKH/MPDC agrees that stranded cost for development work, etc. should be recovered through the provincial uniform transmission rate.

It should be noted though that a leave to construct may not be required in all circumstances. A leave to construct is not required to construct a transformer station provided land is not expropriated for the project.

5. Under what circumstances should the two transmitters be designated to develop the same project and to recover the development costs from ratepayers?

CKH/MPDC agrees that two transmitters should be designated in certain circumstances. Given the additional costs of funding two development plans, two transmitters should only be designated for the largest network expansion and enabler projects. More information is required to determine the actual threshold whereby the expected benefit would outweigh the costs. In CKH/MPDC's opinion, the ECT report is required to make this determination.

6. Are these the appropriate filing requirements to enable the Board to apply the decision criteria identified in section 3.1? If other decision criteria are being suggested what additional filing requirements would be appropriate for the criterion or criteria?

CKH/MPDC does not believe that a new entrant should be required to provide evidence of experience in other jurisdictions in constructing similar projects as stated on page 22. CKH/MPDC believes that the technical capability described on page 21 is sufficient to determine the transmitters' qualifications.

As stated in CKH/MPDC's response to question 3, we believe that regional planning should be a decision criterion. Similarly, we believe the criteria listed in 4.2 should be expanded to include an additional regional consideration. CKH/MPDC further believes the OEB should also require the transmitter to not only include how the project fits within it's existing transmission network but how it will also fit within the provincial grid. Though a connection impact assessment will determine this it becomes even more critical when additional transmitters are connecting to the common provincial grid.