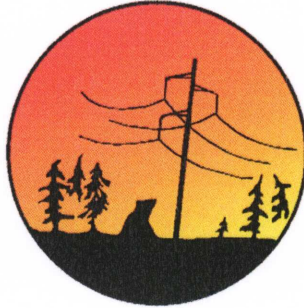


FIVE NATIONS ENERGY INC.

Head Office:

P. O. Box 370
Moose Factory, ON
P0L 1W0
Phone: (705) 658-4222
Fax: (705) 658-4250
www.fivenations.ca

**Mailing Address:**

70-c Mountjoy Street North
Suite 421
Timmins, ON P4N 4V7
Phone: (705) 268-0056
Fax: (705) 268-0071

May 31, 2010

Kirsten Walli
Board Secretary
Ontario Energy Board
Suite 2700
2300 Yonge Street
Toronto ON M4P 1E4

Dear Ms. Walli:

**RE: Transmission Project Development Planning
Comments of Five Nations Energy Inc. ("FNEI") (EB-2010-0059)**

Please find enclosed three hard copies of FNEI's submission on Board Staff's Discussion Paper in the above-noted matter. A searchable PDF version is being filed on the Board's RESS system today.

Should you have any questions, please contact me directly.

Yours very truly,

A handwritten signature in blue ink, appearing to read 'Joe Gaboury', with a stylized flourish at the end.

Joe Gaboury, BA., CGA, MBA
Chief Executive Officer

cc. Richard King (Ogilvy Renault LLP)

ONTARIO ENERGY BOARD

TRANSMISSION PROJECT DEVELOPMENT PLANNING STAFF DISCUSSION PAPER (Board File No.: EB-2010-0059)

Submission of Five Nations Energy Inc.

This submission responds to Board Staff's Discussion Paper dated April 19, 2010 with respect to the above-noted matter. Five Nations Energy Inc. ("FNEI") is Ontario's only fully regulated transmitter that is First Nation-owned and operated. FNEI is supportive of the objective espoused in the paper – namely, developing a process which can facilitate the timely and cost effective development of transmission facilities that may be required to connect renewable generation in Ontario.

Submissions on the Specific Issues for Stakeholder Comment

The Discussion Paper sets out several issues for stakeholder comment:

- (1) Should new entrants be required to be licensed as transmitters as a condition of participation in a designation process?
- (2) How long would it take to prepare transmission project development plans?
- (3) Are the decision criteria laid out appropriate? Should the decision criteria be weighted and, if so, which are most important?
- (4) Are staff's proposals regarding the implications of plan approval reasonable?
- (5) Under what circumstances should two transmitters be designated to develop the same project and to recover the development costs from ratepayers?
- (6) Are the filing requirements appropriate to enable the Board to apply the decision criteria?

FNEI is only submitting comments on the first three issues. FNEI takes no position on the other issues.

(1) Should New Entrants be Required to be Licensed?

Board Staff is recommending that in order to file a transmission project development plan requesting to be designated for a particular project, a new entrant must be licensed by the

Board as a transmitter. The rationale for this requirement is to ensure that new entrants meet basic minimum requirements in relation to financial and technical capability, thereby providing the Board with some comfort that the new entrant is both qualified and committed to doing business in Ontario should it be designated. Board Staff suggests that this will avoid having to devote resources in the designation process to an examination of a new entrant's general financial and technical capabilities.

FNEI agrees with the position (and reasons) of Board Staff. While not fully determinative of a company's ability to carry out every single project (e.g., there may be some projects that are so significant that not all licensed entities could reasonably carry out the project), there is value in having new entrants scrutinized to meet general financial and technical capabilities in advance of the designation process.

(2) How Long Would it Take to Prepare Transmission Project Development Plans?

FNEI has reviewed the Texas and UK approaches outlined in Appendix A of the Discussion Paper, which both provide for a three month preparation period.

It is the position of FNEI that the Board retain a certain amount of discretion in determining the preparation period for a transmission project development plan. The proposed filing requirements are extensive. For smaller projects, three months may be suitable, but for larger projects, the Board may wish to provide interested parties with more time to submit their plans. Thus, FNEI's position is that the Board determine the appropriate time period on a case-by-case basis.

(3) Are the Decision Criteria Laid out Appropriate? Should the Decision Criteria be Weighted and, if so, Which are Most Important?

Board Staff anticipates that the Board will designate, as the transmitter selected to perform the transmission development activities for a given project, the transmitter that the Board believes is best able to plan, permit, finance, construct, operate and maintain the transmission facility.

The proposed staff decision criteria are appropriate, and appear to be in line with established designation processes in other jurisdictions. As Board Staff notes, general corporate fitness (financial and technical) is to be assumed for any transmitter that is licensed.

FNEI takes no position on whether the decision criteria should be weighted, and if so, what weight should be given to each criteria. However, FNEI believes that the following four criteria ought to be the most important in any Board determination on designation:

- **Costs:** The costs of transmission are borne by all Ontario transmission customers, which ultimately are passed on to all electricity consumers in Ontario. Protecting the interests of Ontario consumers with respect to electricity pricing is important, and a statutory objective of the Board (subsection 1(1), *Ontario Energy Board Act, 1998*). Consequently, it is FNEI's submission that the estimated

budgets for project development and construction ought to be a key consideration in the designation process.

- **Land Owner and Other Consultations:** Proper consultation with local communities and potentially impacted First Nations is absolutely critical to successfully developing projects with significant land use requirements (i.e., long linear facilities such as power transmission lines). Consequently, it is FNEI's submission that the capacity of a project proponent to design and implement robust consultation processes should be a key consideration in the designation process.
- **Schedule:** In order to ensure that development of needed transmission facilities is carried out in a timely manner, project priority and scheduling must be considered to be relevant issues. As noted in the Discussion Paper, there is a substantial amount of transmission to be built in order to connect the renewable generation applied for under the Feed-in-Tariff program and contracted for with Samsung. There is a distinct advantage in the designation process to have those entities seeking designation indicate their proposed scheduling and priority (in relation to other projects) for development and construction. Smaller projects, which may be a low priority for certain large transmitters, may be the only project for which a smaller transmitter seeks designation (i.e., it may be that smaller transmitter's highest priority). FNEI submits that this is a key criterion because those who are committed to the timely and prioritized development of a transmission project should be considered for designation ahead of those that may not place as much emphasis or importance on that particular project (all other things being equal).
- **Organization and Experience:** This criterion is also important. The Board should give sufficient weight to parties that have successfully developed major energy projects in Ontario. These companies (including FNEI) have proven themselves willing and able to complete projects in Ontario.