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November 9, 2007

**VIA E-MAIL AND COURIER**

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, Suite 2601  
Toronto ON M4P 1E4

**RE: Board File Number EB-2007-0691**

Chatham-Kent Hydro (CK H) has received intervenor status in the Ontario Energy Board (Board) file number EB-2007-0691 – Notice of Proposal Under Section 81 of the Ontario Energy Board Act, 1998 submitted by Kruger Energy Inc (Kruger). This submission is in response to the Procedural Order #1 issued by the Board on October 26, 2007.

**CK H Support for the Project**

CK H would like to begin with informing the Board that they fully support a transformer station project such as this one proposed by Kruger. The Province of Ontario is promoting green, renewable energy alternatives and in order for the customers of Ontario to consume this energy there is a great need for inter-ties into the transmission system.

**CK H Support for a written Hearing**

CK H is recommending to the Board that this proceeding be a written hearing. The issues that are being tested and reviewed are not very long nor are they extremely complex. CK H believes that our concerns can be satisfied in a written proceeding therefore in our opinion it does not warrant a more expensive oral hearing.

**CK H Submission**

CK H agrees with the statement made by Kruger that the existing transmission infrastructure in the Municipality of Chatham-Kent is constrained and will not sustain the volume of Standard Offer renewable energy projects that are planned by developers in the area. Kruger has supplied evidence from Hydro One supporting this claim.

The Board has indicated the “sole purpose in this proceeding is whether the impact of the proposal adversely affects the development and maintenance of a competitive market”. CK H’s questions relate to two different levels of competition;

- How this will impact other generation companies and their projects?
- How this will impact CK H’s ability to serve growth from industrial customers in the Bloomfield Business Park (BBP)?

CK H believes clarification is required from Kruger regarding the specific location of the Transformer Station, the load side voltage of the facility, the voltage, the number of and the location of the distribution collector lines. CKH has a concern that if this proposal is not planned appropriately it may impede the future competitive market for generators and the local distributor.

In the November 5, 2007 filing Kruger has indicated they are negotiating with the Municipality of Chatham-Kent for property on the west end of the BBP and have identified the voltage and size of the transformer. As the BBP adds industrial customers CK H may require the use of Municipal rights of way to expand the supply feeders. If multiple transformer stations are constructed within the BBP and right of ways are congested with collector lines the ability to supply load to the industrial customers will be impeded and may increase the costs to connect these customers and with more expensive underground systems or private easements.

CK H has several questions pertaining to these issues as follows:

1. Section 1.5.1 (General Minimum Filing Requirements form)
  - a. What is the specific location of the proposed station
  - b. What is the size of the property and will it sustain future growth of the station to accommodate all developers and future CK H customers.
  - c. Clarify the secondary voltage as the November 5, 2007 filing indicates 1 transformer with both 34.5 KV and 27 KV secondary.
2. Section 2.2: No submission has been made by Kruger on this section pertaining to reliability. CK H’s questions pertaining to reliability are as follows:
  - a. Will the proposal affect the adequacy of the 27,600 volt distribution system
  - b. Will the proposal respond to distribution system contingencies
  - c. When will the IESO Preliminary System Impact Assessment Report be completed and will CK H receive a copy of the assessment.
3. Section 3.1.1 : As no description or proposed location of the distribution collector system has been provided, CK H has the following questions:
  - a. What voltage, how many feeders and what is the location of the distribution collector system?
  - b. Will Kruger commit to not compete for existing or new distribution load customers located within the service territory of CK H
  - c. How many collector lines will be egressing from the station and what right of ways are proposed to accommodate them?
  - d. Will there be any requirement by CK H to relocate existing distribution plant to facilitate construction of collector lines.
4. Kruger has indicated in their submission on November 5, 2007 that they will consider making a value based transfer of the facility to CK H. This may be seriously considered by CK H, but more detail on the facility would be required to ensure it would include the specifications needed to supply future

5. CK H customers and any stranded transmission asset issues with Hydro One can be successfully resolved.

CK H is in support of the concept of “value based transfer of the Project to CK H” at some point in time. This could be a great benefit to the reliability and quality of electricity to serve the industrial growth in the BBP.

CK H believes that more projects like this one proposed by Kruger is required to benefit all of Ontario, with some clarification of the details and possible changes, CK H will be able to fully support this application.

CK H also believes that a written proceeding is warranted for this application.

CK H is looking forward to working with Kruger and the Board in this proceeding.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Hogan". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

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Chief Financial and Regulatory Officer  
Chatham-Kent Energy Inc.

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