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RESS & EMAIL

Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4

Attention: Ms. K. Walli, Board Secretary

Dear Ms. Walli:

Re: Hydro One Networks Inc. - (EB-2010-0002) - Interrogatories of Great Lakes Power Transmission

Please find attached the Interrogatories of Great Lakes Power Transmission with respect to the above-noted matter.

Yours truly,

A handwritten signature in black ink, appearing to be "Charles Keizer", written over a horizontal line.

Charles Keizer

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cc: Anne-Marie Reilly, HONI
Donald Rogers, HONI Counsel
Intervenors

Interrogatory Questions of Great Lakes Power Transmission LP EB-2010-0002

Green Energy Plan Issues 9.1 and 9.2

1. Preamble—Exhibit A, Tab 11, Schedule 4, Pages 1-47 sets out the Applicant's Transmission Green Energy Plan.

Page 2 quotes the Minister's letter and the request to "immediately proceed with the planning, development and implementation of Transmission Projects outlined in the attached Schedule A, including seeking approvals for the upgrades as soon as there is a reasonable basis to do so".

- (i) Does the Applicant acknowledge that the Minister's September 21, 2009 letter is one of encouragement and is neither a Shareholder directive established under the *Business Corporations Act* (Ontario)/ Ministerial directive nor a designation of the Transmission Projects under any particular regulatory regime?
 - (ii) The Minister's September 21, 2009 letter referred to the immediate importance of specified projects and, given the magnitude of the work required to complete these projects, requested that Hydro One, among other things: "Identify projects as appropriate where the planning, development and implementation of the project would be better accomplished by a qualified third party other than Hydro One." Has the Applicant determined which of the specified projects would be better developed and implemented by a party other than the Applicant? If so, which ones; and if not, why not?
 - (iii) The above-mentioned letter also requested the Applicant to provide opportunities for participation in the projects by potentially affected Aboriginal peoples. Have such opportunities been provided? Is it anticipated that commercial arrangements beyond consultation and accommodation will be entered into with Aboriginal peoples?
2. Preamble—Exhibit A, Tab 11, Schedule 4, Pages 1-47 set out the Applicant's Transmission Green Energy Plan. On page 3, the Applicant states that "Hydro One's strategy is to begin the preliminary Development Work on priority GE Projects, those with the highest need as identified in consultation with the OPA and based on the information presently available"
 - (i) What are the priority GE Projects?
 - (ii) Please provide any and all documentation, including reports, corresponding presentations related to Hydro One's Consultation with the OPA that identified the project with the highest need?
3. Preamble—Exhibit A, Tab 11, Schedule 4, Pages 34-37 sets out the Applicant's Infrastructure Investment Incentive Approach for Green Energy Projects. The Applicant says it "is proposing a new approach to cost recovery for the green energy projects, the "Accelerated Cost Recovery of CWIP" mechanism...the projects included in this Green Energy and Green Economy Plan represent a multibillion dollar investment in new transmission infrastructure in Ontario. The Board issued its report on Regulatory Treatment of Infrastructure Investment to address the unique challenges that have been created by new Government policies and the GEGEA. As outlined in this Plan, Hydro One is responding to an unprecedented level of investment in new

facilities and an alternative funding mechanism is appropriate. In addition to the large cost of the Plan, the green projects also have a high degree of risk associated with them. This also supports the need for an alternative funding mechanism. Building such large, complex and multi-year projects will present very significant challenges: 1) In almost all cases involving new line construction there will be the need for consultation with First Nation and Metis communities and a number of issues to be resolved around access to the land, financial settlements and compensation and creation of jobs for the communities.”

- (i) Please describe the nature of the issues related to the access to the land, financial settlements and compensation and creating jobs for First Nation and Metis communities and the impact of these issues on the timing and development of the “GE Priority Projects”.
 - (ii) Please describe the steps taken and provide progress made to date by HONI in resolving these issues.
- 4. Preamble—Exhibit A, Tab 11, Schedule 4, Pages 42 set out some major elements of the development work for the Applicant’s Transmission Green Energy Plan. One of these pertains to First Nation and Metis Relations. The Applicant states that “First Nations and Metis communities may have limited resources to effectively engage in consultation and Hydro One considers providing capacity funding to communities to allow them to adequately participate. This funding can cover costs such as wages for liaison staff, travel and meeting attendance, external legal and technical advice, as well as hosting community-wide information sessions”.
- (i) For the “where development work is underway projects”, has any such funding been ear-marked for the test years; and, if so, in what amounts? Are these amounts tracked in/intending on being tracked in a deferral account? Please provide a project- and amount-specific response.
- 5. Preamble—Exhibit A, Tab 11, Schedule 4, Page 14 discusses Algoma x Sudbury Transmission Expansion under the Applicant’s Transmission Green Energy Plan. The Applicant refers to the IPSP’s recommendation of “a second 500 kV Hanmer TS to Mississagi transmission line (approximately 210 km). The new line would be located on an existing Right of Way. Because the EA Approval for the new line was obtained earlier (when the first 500 kv line, initially operated at 230 kV, was built on the Right of Way), it is expected that only a confirmation of the EA approval will be required”.
- (i) Please detail the basis for this expectation and advise of any independent regulatory or statutory authority that substantiates together with any documentation from such authority.