

1 **Great Lakes Power Transmission (GLP) INTERROGATORY #1 List 1**

2
3 **Interrogatory**

4
5 **Issues: 9.1 and 9.2**

6
7 Preamble—Exhibit A, Tab 11, Schedule 4, Pages 1-47 sets out the Applicant’s
8 Transmission Green Energy Plan.

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

13 (i) Does the Applicant acknowledge that the Minister’s September 21, 2009 letter is
14 one of encouragement and is neither a Shareholder directive established under the
15 *Business Corporations Act (Ontario)*/ Ministerial directive nor a designation of
16 the Transmission Projects under any particular regulatory regime?

17 (ii) The Minister’s September 21, 2009 letter referred to the immediate importance of
18 specified projects and, given the magnitude of the work required to complete
19 these projects, requested that Hydro One, among other things: “Identify projects
20 as appropriate where the planning, development and implementation of the
21 project would be better accomplished by a qualified third party other than Hydro
22 One.” Has the Applicant determined which of the specified projects would be
23 better developed and implemented by a party other than the Applicant? If so,
24 which ones; and if not, why not?

25 (iii) The above-mentioned letter also requested the Applicant to provide opportunities
26 for participation in the projects by potentially affected Aboriginal peoples. Have
27 such opportunities been provided? Is it anticipated that commercial arrangements
28 beyond consultation and accommodation will be entered into with Aboriginal
29 peoples?

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31 **Response**

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33 (i) Hydro One received the letter of September 21, 2009, from the Minister of
34 Energy and Infrastructure and acknowledged its concurrence to proceed with the
35 activities listed therein.

36
37 (ii) Hydro One has not determined which, if any projects would be better developed
38 and implemented by a qualified third party at this time.

39
40 (iii) Please see Exhibit I, Tab 1, Schedule 109.

1 **Great Lakes Power Transmission (GLP) INTERROGATORY #2 List 1**

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3 **Interrogatory**

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5 **Issues: 9.1 and 9.2**

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7 Preamble—Exhibit A, Tab 11, Schedule 4, Pages 1-47 set out the Applicant’s
8 Transmission Green Energy Plan. On page 3, the Applicant states that “Hydro One’s
9 strategy is to begin the preliminary Development Work on priority GE Projects, those
10 with the highest need as identified in consultation with the OPA and based on the
11 information presently available”

12 (i) What are the priority GE Projects?

13 (ii) Please provide any and all documentation, including reports, corresponding
14 presentations related to Hydro One’s Consultation with the OPA that identified
15 the project with the highest need?

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18 **Response**

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20 (i) & (ii) Please see Exhibit I, Tab 1, Schedule 102.

1 **Great Lakes Power Transmission (GLP) INTERROGATORY #3 List 1**

2
3 **Interrogatory**

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5 **Issues: 9.1 and 9.2**

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7 Preamble—Exhibit A, Tab 11, Schedule 4, Pages 34-37 sets out the Applicant’s
8 Infrastructure Investment Incentive Approach for Green Energy Projects. The Applicant
9 says it “is proposing a new approach to cost recovery for the green energy projects, the
10 “Accelerated Cost Recovery of CWIP” mechanism...the projects included in this Green
11 Energy and Green Economy Plan represent a multibillion dollar investment in new
12 transmission infrastructure in Ontario. The Board issued its report on Regulatory
13 Treatment of Infrastructure Investment to address the unique challenges that have been
14 created by new Government policies and the GEGEA. As outlined in this Plan, Hydro
15 One is responding to an unprecedented level of investment in new facilities and an
16 alternative funding mechanism is appropriate. In addition to the large cost of the Plan,
17 the green projects also have a high degree of risk associated with them. This also
18 supports the need for an alternative funding mechanism. Building such large, complex
19 and multi-year projects will present very significant challenges: 1) In almost all cases
20 involving new line construction there will be the need for consultation with First Nation
21 and Metis communities and a number of issues to be resolved around access to the land,
22 financial settlements and compensation and creation of jobs for the communities.”

- 23 (i) Please describe the nature of the issues related to the access to the land, financial
24 settlements and compensation and creating jobs for First Nation and Metis
25 communities and the impact of these issues on the timing and development of the
26 “GE Priority Projects”.
- 27 (ii) Please describe the steps taken and provide progress made to date by HONI in
28 resolving these issues.

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31 **Response**

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33 i) In order to implement the green energy projects, Hydro One will require timely
34 access to the lands required for these projects. From a project development
35 perspective, access to the lands is necessary to conduct preliminary site investigations
36 to meet the requirements of the Environmental Assessment Act (e.g., biological
37 surveys, terrestrial surveys, archaeological surveys, etc.). There may be situations
38 where property owners do not allow Hydro One or its representatives to access their
39 lands to conduct these investigations. In these situations, there may be a need to
40 initiate a more lengthy regulatory process to gain access to these lands, which could
41 impact the timely approvals of the projects.

1 Access to the required lands is also necessary to conduct investigations required to
2 support property valuations used as the basis of compensation offers for the required
3 property rights to construct the projects. If voluntary compensation settlements cannot be
4 negotiated on specific properties, Hydro One will need to rely on the legislated
5 expropriation process to acquire the property rights required to construct the projects.
6 This will impact the planned in-service dates of the projects.

7
8 The Crown has a duty to consult Aboriginal peoples where the interests of Aboriginal
9 peoples may be affected by a Crown action or decision. While the duty to consult belongs
10 to the Crown the Crown may delegate procedural aspects of consultation on the green
11 projects to Hydro One. Procedural aspects of consultation includes meeting with
12 potentially affected FN and Métis communities to share information and identify how a
13 project might affect their community and traditional territory. This can involve
14 developing a formalized consultation process. Where potential impacts have been
15 identified, Hydro One and the affected FN and Métis will identify mitigating measures.
16 Where mitigation is not possible, Hydro One will explore ways for communities to
17 benefit from the project, including employment and procurement opportunities.

18
19 The number of communities being consulted on a project can affect

- 20
21 - the time and resources needed to complete the consultation; and
22 - the type of employment or procurement opportunities that may be available to
23 individual communities.

24
25 ii) Regarding access to lands required for the green energy projects, Hydro One is
26 developing principles and approaches to obtain timely access to the lands to support
27 both approvals and property rights acquisition activities. These principles and
28 approaches are based on our experiences associated with previous major transmission
29 development projects and on the specific facts and circumstances associated with
30 each green energy project. . As part of consultation efforts Hydro One will also meet
31 with First Nations to discuss when access to reserve lands is necessary and where
32 possible, discuss what work or studies may be planned in areas of interest.

33
34 The Crown identifies the FN and Métis communities that need to be consulted with
35 on each green transmission project. The Crown communicates with potentially
36 affected FN and Métis identifying Hydro One's project and consultation role. Hydro
37 One recognizes that some communities may request resources to hire technical
38 experts and professionals to assist their discussions with the company about the
39 Project. Hydro One is prepared to enter into discussions with FN & Métis
40 communities that request funding and provide such funding where appropriate. As
41 part of the engagement and consultation, Hydro One communicates the types of
42 employment and potential procurement opportunities that will be available through
43 green transmission projects and what the pre-requisites are.

1 **Great Lakes Power Transmission (GLP) INTERROGATORY #4 List 1**

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3 **Interrogatory**

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5 **Issues: 9.1 and 9.2**

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7 Preamble—Exhibit A, Tab 11, Schedule 4, Pages 42 set out some major elements of the
8 development work for the Applicant’s Transmission Green Energy Plan. One of these
9 pertains to First Nation and Metis Relations. The Applicant states that “First Nations and
10 Metis communities may have limited resources to effectively engage in consultation and
11 Hydro One considers providing capacity funding to communities to allow them to
12 adequately participate. This funding can cover costs such as wages for liaison staff,
13 travel and meeting attendance, external legal and technical advice, as well as hosting
14 community-wide information sessions”.

- 15 (i) For the “where development work is underway projects”, has any such funding
16 been ear-marked for the test years; and, if so, in what amounts? Are these
17 amounts tracked in/intending on being tracked in a deferral account? Please
18 provide a project - and amount-specific response.

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21 **Response**

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23 Overall development work funding that was planned for the test years is shown in Table
24 5 on page 46 of the exhibit, however as explained in Exhibit I, Tab 1, Schedule 98, all
25 development work on the green projects has been suspended.

1 **Great Lakes Power Transmission (GLP) INTERROGATORY #5 List 1**

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3 **Interrogatory**

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5 **Issues: 9.1 and 9.2**

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7 Preamble—Exhibit A, Tab 11, Schedule 4, Page 14 discusses Algoma x Sudbury
8 Transmission Expansion under the Applicant’s Transmission Green Energy Plan. The
9 Applicant refers to the IPSP’s recommendation of “a second 500 kV Hanmer TS to
10 Mississagi transmission line (approximately 210 km). The new line would be located on
11 an existing Right of Way. Because the EA Approval for the new line was obtained
12 earlier (when the first 500 kv line, initially operated at 230 kV, was built on the Right of
13 Way), it is expected that only a confirmation of the EA approval will be required”.

- 14 (i) Please detail the basis for this expectation and advise of any independent
15 regulatory or statutory authority that substantiates together with any
16 documentation from such authority.

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19 **Response**

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21 (i) The EA Approval that was obtained earlier does not have an expiry date.
22 Nevertheless, if development work on this project proceeds, Hydro One will revisit
23 the original EA to assess whether there have been any changes within the project area
24 that could result in substantive changes to the undertaking, environmental effects or
25 mitigation commitments that were set out in the previous assessment. Hydro One
26 will carry out this assessment in consultation with affected communities (including
27 First Nations and Métis) and government officials and make results available to all
28 interested parties. In the past, this approach has been taken for other projects for
29 which EA Approval has been previously granted.