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BY EMAIL

December 1, 2010

Pappur Shankar, P. Eng
Senior Project Manager
SNC Lavalin Environment
195 The West Mall
Toronto, Ontario M9C 5K1

Dear Mr. Shankar:

**Re: GOLDCORP GOLD MINE PROPOSED TRANSMISSION LINE FOR
SUPPLY INTO BALMER COMPLEX - RED LAKE**

This is in response to your letter dated November 26, 2010 on the subject matter where you requested a response to four questions in regard to the leave to construct application pursuant to section 92 of the *Ontario Energy Board Act, 1998*.

Below is restatement of your questions followed by a Board staff response. I want to make it clear that these Board staff responses reflect only its views and is offered without prejudice, as the ultimate decision for any application rests with a Board Panel and is not influenced by any statements in this letter.

(1) Are there any circumstances in which a private proponent who is building a transmission line solely for their own use can be exempted from the Leave to Construct approval process?

Response:

The Board's powers to grant an order approving a leave to construct application for electricity transmission or distribution lines are set out in section 92 of the *Ontario Energy Board Act, 1998* (the "Act"). Section 92. (1) states that:

No person shall construct, expand or reinforce an electricity transmission line or an electricity distribution line or make an interconnection without first obtaining from the Board an order granting leave to construct, expand or reinforce such line or interconnection.

The criteria which the Board may consider in its consideration of leave to construct applications are described in section 96 which states that:

96. (1)

If, after considering an application under section 90, 91 or 92 the Board is of the opinion that the construction, expansion or reinforcement of the proposed work is in the public interest, it shall make an order granting leave to carry out the work.

Applications under s. 92

(2) *In an application under section 92, the Board shall only consider the following when, under subsection (1), it considers whether the construction, expansion or reinforcement of the electricity transmission line or electricity distribution line, or the making of the interconnection, is in the public interest:*

- 1. The interests of consumers with respect to prices and the reliability and quality of electricity service.*
- 2. Where applicable and in a manner consistent with the policies of the Government of Ontario, the promotion of the use of renewable energy sources.*

A Board Panel ultimately decides if a project will be exempted from a hearing under section 95. of the Act.

With the above quoted sections of the Act in mind, Board staff notes that the Board is generally concerned about transmission projects with respect to:

- impacts on landowners;
- impact on the transmission system reliability;
- impact on other transmission customers' reliability; and
- impact on transmission rate payers.

So generally if a project applies for exemption under section 95, it may have a good chance of acceptance if:

- the proposed transmission line will be totally built on private land – so there will not be any landowner's impacts to consider ;
- the proponent received a completed System Impact Assessment ("SIA") by the IESO, showing that subject to satisfying the IESO's requirements, the project will not negatively impact the IESO-controlled grid.
- the proponent received a completed Customer Impact Assessment ("CIA") from the licenced transmitter showing no negative impacts on the other transmission customers in the vicinity;
- Rate payers are protected. To demonstrate this, the applicant and the licenced transmitter will have to submit evidence depending on the option¹

¹ There are three Options. The first Option where the customer owns and builds the transmission line. The second Option where Hydro One build and owns the proposed transmission line, and the third Option, where proponent build via 3rd party, and then flips ownership to transmitter, economic evaluation is needed to cover the proposed transmission line and any transmission reinforcement that might be needed upstream.

chosen by the applicant since any transmission expansion involves economic evaluation by the transmitter which is performed as prescribed in the Transmission System Code (TSC). The note below describes the 3 Options. The first Option involves the customer building and owning the new line. If the transmitter provides evidence that there is no transmission reinforcement required upstream, then there is no requirement for performing an economic evaluation. In other words in such a case, there will not be an adverse impact on ratepayers.

(2) Is there any way to expedite the Leave to Construct Process?

Response

A written proceeding normally takes 135 days for a Leave to Construct ("LTC") proceeding, provided that there are no surprises that might delay the proceeding e.g., a motion by an intervenor to review certain aspects. To expedite the LTC proceeding, the Board may proceed with a draft SIA and/or a draft CIA and will usually proceed even if the EA process is not fully completed. It should be noted that the risk is that if in the final EA, the proposed route is altered from the route proposed in the LTC application, the applicant will have to restart the LTC process.

(3) Can the Leave to Construct process be initiated prior to submitting the draft EA document for the required 30 day public review period or otherwise can it be initiated upon submitting the draft Class EA or is the final Class EA document required?

Response:

Please refer to Response to Question (2) above.

(4) Can the right of way be cleared prior to obtaining the Leave to construct approval?

Response:

No activity, such as right of way clearing is allowed prior to obtaining the Board's Conditions of Approval.

We hope this will help you better understand the leave to construct process.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary