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May 20, 2011

VIA RESS, EMAIL & RESS

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge ST, 27th Floor
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Haldimand County Hydro Inc.
Request for Procedural Order to Set Schedule for Filing Intervenor
Evidence
Board File No.: EB-2011-0027**

We are counsel to Haldimand County Hydro Inc. ("HCHI") and are writing as a follow up to the Technical Conference held on May 17th, 2011 in this Proceeding. HCHI is writing to inform the Board that HCHI and the Applicant were unable to come to an agreement regarding the submission of Intervenor evidence.

HCHI request the Board issue a Procedural Order to set May 31, 2011 as the date for which HCHI, and all other intervenors, may file evidence. HCHI would further request the Board establish a timetable for interrogatories and the making of submissions. HCHI has retained Kinectrics to prepare evidence in respect of the potential for issues to arise from the proposed design related to induction. Dr. Petrache of Kinectrics indicated during the Technical Conference that the he could not rule out issues related to induction at this time based upon what has been filed as evidence by the Applicant.

Previous procedural orders have not provided the opportunity for intervenors to file evidence. The Applicant, for the first time, provided a proposed pole design and location at the Technical Conference. This information had been requested by HCHI as part of the interrogatory process (HCHI IR#2). Prior to such information being provided by the Applicant, it was not possible to analyse whether, and to what extent, induction may impact HCHI's distribution system and its customers.

While induction may cause issues such as stray voltage which can be mitigated through grounding, it may also impact the stability and power quality of the HCHI distribution system and the requirements for future maintenance. All of these potential issues may impact HCHI and HCHI's ratepayers. As such, it has a direct impact on the "interests of

consumers with respect to prices and the reliability and quality of electricity service”¹ which the Board is statutorily obligated to consider in a leave to construct application.

HCHI does not believe this request will unnecessarily delay the transmission line. During the Technical Conference the Applicant indicated the Renewable Energy Approval (“REA”) had not yet been accepted by the Ministry of the Environment (“MOE”). Further, the Applicant indicated that it did not expect to receive approval from the MOE for a few months. Also, the Applicant has not completed the land acquisition process and therefore, the design remains incomplete. Finally, the Applicant has not responded to the Undertakings given during the Technical Conference. As such, making provision for the filing of evidence, with the opportunity to pose interrogatories, should not delay the project.

During the Technical Conference, HCHI had referenced a December 7, 2010 letter that had been sent to the Applicant to indicate the requirements of HCHI. A copy of the letter is attached. Based upon the Applicant’s statement at the Technical Conference that all 34.6kV gathering lines will be located underground, HCHI can confirm that its design requirements see paragraph 4, are modified such that the distribution pole is suitable for two 27.6/16kV circuits. HCHI has been upgrading all of its 8.3/4.8kV lines and has requested that such upgrades be accommodated by the Applicant. This will avoid the ratepayers of HCHI being subjected to additional costs when the existing circuits are upgraded.

If there are any questions please contact me at your earliest convenience.

Yours truly,

AIRD & BERLIS LLP



Scott A. Stoll

SAS/hm
Encl.

cc: Applicant
Intervenors
N. Mikhail, OEB
K. Sebalj, OEB

9386844.1

¹ Ontario Energy Board Act, 1998, S.O. 1998, c. 15, Schedule B, section 96(2).

December 7, 2010

Mr. Ben Greenhouse
Project Director, Wind Development
NextEra Energy Canada, ULC
5500 North Service Road
Burlington ON L7L 6W6

Dear Mr. Greenhouse:

Re: Summerhaven Wind Energy Centre

Further to the meetings held July 16, 2010 and September 24, 2010 between Haldimand County Hydro and NextEra Energy Canada, ULC (the Generator) it will be beneficial to establish some high level principles to identify responsibilities and guide the design, construction, and coexistence of the Generator's 34.5 kV collector lines along road rights-of-way and Haldimand County Hydro's distribution lines (to be constructed for operation at 27.6 kV). Accordingly the following principles have been identified to-date by Haldimand County Hydro and may be included in future agreement(s):

Line Construction & Cost Responsibility

1. The Generator will install at its expense all the necessary poles for the full extent of its collector lines along municipal roadways (estimated at 41 km of line).
2. The new pole lines will be constructed on the same side of the road as the existing Haldimand County Hydro lines where these currently exist, unless there is some exceptional purpose in doing otherwise as determined by Haldimand County Hydro.
3. The exact location of the pole line between the edge of the roadway and the edge of the right-of-way shall be determined in cooperation with Haldimand County Hydro for various reasons including the necessity to minimize power interruptions.
4. The Generator will ensure the entire pole line is designed to accommodate two Haldimand County Hydro 27.6 kV circuits in addition to up to two 34.5 kV circuits of the Generator.

5. Where the municipal right-of-way contains an existing Haldimand County Hydro primary distribution line, the Generator shall install, at its expense, a new replacement primary line (including new attachment hardware, 46 kV insulators, and conductor) on the new poles. New phase conductor(s) will be 556 MCM dahlia type and new neutral conductor will be 336 MCM linnet type. The neutral conductor will be consistently installed at an elevation of 25 feet above the crown of the adjacent road.
6. Where the municipal right-of-way contains an existing Haldimand County Hydro transformer and secondary line the Generator will install a new transformer (to be supplied by Haldimand County Hydro at its expense) and spun buss secondary conductor (to be supplied by the Generator at its expense).
7. Haldimand County Hydro will physically energize its new circuit and transfer its customers, all at the expense of the Generator. The Generator will provide a deposit before any physical work begins in an amount to be estimated by Haldimand County Hydro and the actual charges shall be deducted from this deposit as work proceeds. Any cost variation from the deposit will be paid by or refunded to the Generator.
8. After Haldimand County Hydro has completed the transfer of customers to any particular new line section and de-energized the old line, the Generator will remove the old line, including conductor, hardware, insulators, poles, etc., and dispose of these materials at its expense, except transformers which shall be removed by the Generator and returned to Haldimand County Hydro at its Caledonia yard. The Generator will also fill all old pole holes with an appropriate material and restore the property condition similar to adjacent areas.
9. The Generator will negotiate directly with joint use of pole participants Bell Canada, Shaw Cable, etc. for the transfer of joint use of pole assets and the Generator will pay all associated costs.
10. For greater certainty, the Generator will incur direct costs associated with its replacement of Haldimand County Hydro assets and the Generator will be responsible for all costs incurred directly by Haldimand County Hydro in conjunction with the Generator's project including, but not limited to, engineering, consultants, legal, materials, internal labour, and resources.

Stranded Assets

11. Once the extent and location of the overlap (currently estimated at 32 km) of Haldimand County Hydro existing lines and the Generator's new lines is known, Haldimand County Hydro will estimate the value of its existing lines to be removed and the Generator will pay Haldimand County Hydro this value before any physical work begins in order that Haldimand County Hydro is held whole financially and not harmed as a result of the presence of the Generator.

12. Ownership of all poles on municipal rights-of-way and the Haldimand County Hydro 27.6 kV circuits will be transferred by the Generator to Haldimand County Hydro at no cost to Haldimand County Hydro and will be treated as contributed capital by Haldimand County Hydro.

Accounting Records

13. The Generator will track its costs for the purchase and installation of all poles on municipal rights-of-way as well as the cost for the purchase and installation of hardware, insulators, and primary and secondary conductor for the Haldimand County Hydro circuits in accordance with the code of accounts utilized by Haldimand County Hydro and provide these details to Haldimand County Hydro within one (1) month after the end of each calendar year as the project progresses.

Agreements & Easements

14. The Generator will negotiate and sign a Joint Use of Poles Agreement with Haldimand County Hydro for the ongoing use of the poles for the collector circuits of the Generator, similar in form and content to existing Joint Use of Poles Agreements in Ontario.
15. All necessary easements on private property for guy wires, tree trimming, and any other purpose shall be negotiated by the Generator, at its expense, and registered in the name of Haldimand County Hydro.
16. The Generator and the Distributor will enter into an agreement to be developed by the Distributor to effectively include the abovementioned principles as well as other conditions including, but not limited to, standards and drawing requirements, certification of line work, representations and warranties, liability and indemnification.

In addition to the above noted principles the Generator and Haldimand County Hydro may need to address ongoing emergency maintenance of the Generator's 34.5 kV circuits including the hardware, insulators, and conductor. Damages, however caused, cannot be allowed to delay or interfere with the restoration of power to customers and the safety of the public or Haldimand County Hydro employees. If the Generator does not have qualified staff in the vicinity to respond immediately to make emergency repairs, the Generator may wish to consider an agreement under which Haldimand County Hydro could make such emergency repairs.

Haldimand County Hydro has verbally expressed its opposition to the installation of transmission lines within and along road rights-of-way within Haldimand County (other than approximately perpendicular crossings of roadways) and confirms this position accordingly.

We would be happy to meet to discuss any aspect of these principles and look forward to receiving information updates as soon as designs for the collector lines are developed.

Yours truly,
HALDIMAND COUNTY HYDRO INC.

A handwritten signature in black ink, appearing to read 'Paul Heeg', with a stylized flourish at the end.

Paul Heeg
Engineering Manager

PH: nm