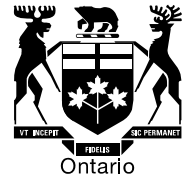


**Ontario Energy  
Board**  
P.O. Box 2319  
27th Floor  
2300 Yonge Street  
Toronto ON M4P 1E4  
Telephone: 416- 481-1967  
Facsimile: 416- 440-7656  
Toll free: 1-888-632-6273

**Commission de l'énergie  
de l'Ontario**  
C.P. 2319  
27e étage  
2300, rue Yonge  
Toronto ON M4P 1E4  
Téléphone: 416- 481-1967  
Télécopieur: 416- 440-7656  
Numéro sans frais: 1-888-632-6273



**BY EMAIL**

June 17, 2011

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

Dear Ms. Walli:

**Re: Detour Gold Power Project - Leave to Construct Application  
Board File Number EB-2011-0115**

Please find attached Board Staff interrogatories for the above proceeding for distribution to the applicant and all parties in this proceeding.

Yours truly,

*Original Signed By*

Edik Zwarenstein  
Project Advisor- Electricity facilities and Infrastructure

Encl.

**Board Staff Interrogatories  
EB-2011-0115  
Detour Gold Corporation  
Leave to Construct  
Detour Lake Power Project (Phase II)  
Island Falls to Pinard TS**

**Note:** *These interrogatories require that the Applicant, in cases where it cannot answer because it does not have the data, to make a request to Hydro One to respond to all questions, clarifications and requests before the deadline.*

**Interrogatory #1: Permits**

**Reference:** (1) Exhibit B/Tab 6/Schedule 1/Page 5  
(2) Exhibit B/Tab 1/Schedule 1/Page 4

**Preamble:** Reference (1) provides a list of permits and licences that may or will be required. Reference (2) Line 1 indicates that “span distances over watercourses will be determined in the permitting process ...”

**Question/Request:**

1. Regarding Reference (1), please provide an updated tabulated list including current status and the timeline for obtaining each permit and approval.
2. With respect to Reference (2):
  - a. Which permitting process is involved and which authority?
  - b. Were such watercourse crossings identified in the Environmental Study Report?

**Interrogatory #2: Stranded assets**

**Reference:** Exhibit B/Tab 1/Schedule 1/Page 4

**Preamble:** Line 23 indicates that ratepayers will not be at risk to pay for stranded assets.

**Question/Request:**

1. Please identify the stranded costs that might be expected to occur.
2. Are there commitments made for the removal of the Island Falls switching station facilities referenced in the Environmental Study Report, or in any other forum?

3. Does Detour intend to assume the cost and any other responsibility for removing transmission and related facilities at Island Falls provided in Phase I but not required in Phase II?
4. What provision is being made by Detour for ultimate disposition of the line when the mining operation comes to an end?
5. Has Detour made plans for the deconstruction or abandonment of some or all of the transmission line at the end of life of the project, in the Environmental Study Report or elsewhere, and if so what are these plans?

### **Interrogatory #3: Line Design, Losses and Capacity**

**Reference:** (1) Exhibit B/Tab 1/Schedule 1/page 3  
(2) Exhibit B/Tab 2/Schedule 4/ Hydro One Technical Requirements  
(3) Exhibit A/Tab 3/Schedule1/Page 1

**Preamble:** Reference (1) indicates at line 4 that the transmission line has been designed in conformance with Hydro One standards. The reference also indicates at line 12 that end to end transmission line losses (Pinard to Detour) are expected to be below 3%.

At Reference (2), section 2.9 indicates that Hydro One Networks will specify the minimum conductor size.

#### **Questions/Request:**

1. Please provide any update to the figure for expected transmission line losses, if available.
2. Please clarify the Hydro One standards in regard to acceptable line losses.
3. Please confirm that this particular level of losses also meets the standards of Hydro One?
4. What is the minimum conductor size that has been specified by Hydro One?
5. Confirm that both Phase I and Phase II sections of the line meet or exceed the minimum conductor size specified by Hydro One for a line of the final configuration.
6. Please advise whether any additional (spare) capacity is built into the design of the line i.e. could additional loads such as a transformer load station be added to the line at a later date, without reconductoring, and what is the available capacity for such an addition?

7. With respect to Reference (3) please explain why metering will be installed at the mine and not at Pinard TS? If metering is installed at the mine, who will bear the cost of the transmission losses between Pinard TS and the mine?

#### **Interrogatory #4: Ownership of facilities**

- Reference:** (1) Exhibit B/Tab 1/Schedule 1/page 4  
(2) Compliance Bulletin 200606, issued on September 11, 2006 titled "Allocation of Costs to Customer Connections to Transmission System"/copy included as Attachment (I) to this Interrogatory #4

**Preamble:** Line 21 at the Reference (1) indicates that Hydro One will modify the 230kV bus at Pinard to a ring configuration and add a dedicated circuit breaker for the Detour load. Line 23 also indicates that:

"Detour will own the line and station facilities supplying the mine."

Reference 2) requires the apportionment of cost for facilities that are classed as Network, where the proposed cost responsibility is consistent with what is described as minimum connection requirements and it states in part that:

Section 6.1.2 of the TSC requires that transmitters ensure that new or modified connections to its transmission system do not materially reduce the reliability or performance of its transmission system. This must be a consideration in determining the minimum connection requirements. The minimum connection requirement will generally consist of the following:

- a) Connection interface equipment including i) terminating structures, ii) disconnect switches and iii) line or bus connections which may include line taps or bus extensions if required.
- b) Automatic interrupting devices such as breakers or circuit switchers as required by the IESO or the transmitter located at the connection interface (or alternate location as discussed above), their associated structures and disconnect switches. As noted in the discussion above, some apportionment of cost may be necessary if these devices are located in a network facility.
- c) Protection and control and associated telecommunication directly related to the minimum connection requirement interrupting devices, and/or the connecting customer's interrupting devices.
- d) Incremental additions to existing special protection systems such as load or generation rejection required to incorporate the connecting customer.

Therefore I expect that transmitters should allocate costs associated with these minimum connection requirements to the connecting customer.

#### **Question/Request:**

1. Please clarify which station facilities will be owned by Detour. In particular, will Hydro One or Detour own the facilities at Pinard?
2. Please clarify the cost responsibility arrangement for the modification of the switchyard at Pinard TS. Please provide the details of the cost responsibility arrangement, in particular with respect to whether the arrangement is

- consistent with the provisions reproduced in Reference (2) in regard to the “minimum connection requirements”.
3. Has there been, or will there be, an application to the Board by Hydro One or any other party for approval of the changes to Pinard TS? Please provide details of the application in which this may have occurred.
  4. Will the modifications at Pinard result in an increase for provincial electricity rates, either directly or indirectly, and if so what is the effect?
  5. Has there been any cost sharing agreed between Hydro One and Detour for changes to Pinard TS or for any portion of the line. What costs will be borne by Hydro One and/or the ratepayer as opposed to the applicant.
  6. Is there any consideration at this time being given to transferring ownership of some or all of the transmission line to any other party, such as Hydro One?

#### **Interrogatory #5: System Impact Assessment**

**Reference:** (1) Exhibit B/Tab 6/Schedule 2/pages 6-7  
(2) Exhibit A/Tab 2/Schedule 1/ Page 3/ Paragraph 7

**Preamble:** Applicant requirements as outlined in the draft SIA

#### **Question/Request:**

1. For each of the requirements listed by the IESO under “specific” and “general” requirements, please indicate how these will be achieved by Detour Gold Corporation. Please indicate if there is any potential conflict with or inability to implement the IESO’s requirements and elaborate.
2. Please provide the final SIA document or, if it has not been completed, indicate an expected date for its issue.
3. Please confirm that the section of the line built in Phase I (i.e. Island Falls to Detour Gold mine project) does not require conductor, insulator or any other physical changes to enable it for operation in Phase II.

#### **Interrogatory #6: Customer Impact Assessment**

**Reference:** Exhibit B/Tab 6/Schedule 3

**Preamble:** The pre-filed evidence includes a placeholder for the Customer Impact Assessment (“CIA”) report.

**Question/Request:**

If the CIA report is available please submit it to the Board. Otherwise, please provide an expected submission date.

**Interrogatory #7: Environmental Assessment**

**Reference:** Exhibit A/Tab 3/Schedule 1/Page 3/ lines12-14

**Preamble:** The pre-filed evidence at the Reference states that “prior to the beginning of construction on Phase I, Detour received approval of the environmental assessment for both phases of the power project, as well as all necessary permits to enable Phase I construction.”

**Question/Request:**

1. Please confirm that the Environmental Assessment for Phase I has been approved, and confirm that approval covered both Phase I and II.
2. Please submit a copy of the ESR to the Board.
3. Have there been any objections to granting approval and, if so by which parties?

**Interrogatory #8: Industry Standards and Codes**

**Reference:** (1) Exhibit B/ Tab 1/ Schedule 1/ Page 3  
(2) Exhibit B/ Tab 2/ Schedule 4/ Page 3

**Preamble:** Compliance with Industry Standards and Codes

The Reference (1) at line 8 reads:

“Hydro One does not publish its detailed transmission designs, so Detour has designed the line to standards provided to Hydro One.” On the other hand Reference 2 has the tile “Hydro One Networks Inc. Technical Requirements for the Design, supply, and installation of 230kV transmission line....”

**Question/Request:**

1. Please indicate the relevant standards for design and construction of the transmission facilities.

2. Please indicate the voltage and nature of any existing facilities in the right-of-way (e.g. rural distribution supply, underground cable, water pipes, railway lines etc.) which might affect construction or which might be affected by construction or operation of the line when commissioned.
3. For those facilities identified in question 2., please indicate what design and construction standards and procedures have been or will be applied to protect facilities and personnel from high voltage and other electromagnetic effects through direct and induced currents and voltages e.g. corrosion protection, cable location identification, and grounding for safety and “tingle” or “stray” voltage.

### **Interrogatory #9: On Licensing**

**Reference:** (1) Exhibit A/ Tab 2/ Schedule 1/ Page 3/ Paragraph 11  
(2) Exhibit A/ Tab 3/ Schedule 1/ Page 1/ Line18-22  
(3) EB-2010-0243 Detour Interrogatory Response to Board Staff, IR 10.1, Page 13

#### **Preamble:**

The pre-filed evidence at Reference (1) states that:

“Once constructed, Detour intends to retain ownership of the transmission line. A wholesale license application required for participation in the IESO market has been submitted to the OEB separately (Proceeding EB-2011-0079). An application to the IESO will also be made in due course to become a market participant.”

The pre-filed evidence at Reference (2) states that:

“Detour proposes to construct, own and operate the Project and does not at this time plan to turn the Project over to a licensed transmitter. Measurement for settlement purposes will occur at the Mine and so Detour will not require a transmitter license. The Project is primarily intended to serve the needs of the Mine during operations, but will also be required for the final phases of construction, during the commissioning processes.”

In the related earlier proceeding EB-2010-0243, Detour’s response to Board Staff interrogatory # 10.1 states that:

“Detour would be a transmitter as defined in the OEB Act, section 57(b). Detour would be exempt from the requirement to obtain a transmitter license by virtue of the O. Reg. 161/99 Definitions and Exemptions,

s.4.0.2. Detour would note that the transmission System Code contemplates an “unlicensed transmitter” at 2.0.66.”

**Question/Request:**

1. Please clarify whether the potential future role that Detour Gold Corporation intends to play in the Ontario electricity market goes beyond the purchase of power from the electricity market for use at the mine, and if so what that role would be.
2. Reference 2 implies that Detour does not intend to apply for a transmitter licence – please confirm whether that is the case.
3. Even if it is exempt from obtaining a transmitter licence, please confirm Detour’s understanding that it would still be a transmitter under section 57(b) of the Act.
4. Please clarify the basis for the statement in Reference (2), that “Measurement for settlement purposes will occur at the Mine and so Detour will not require a transmitter license.”
5. Please confirm the understanding that Detour would be a Transmitter as defined in the Transmission System Code and that Detour would be subject to the provisions of the Transmission System Code.

**Interrogatory #10: On Connecting Generation**

**Reference:** Transmission System Code article 4.1

**Preamble:** The line is privately owned and located in areas where renewable generation facilities could be sited, and that may wish to connect to the line.

**Question/Request:**

1. Please confirm that Detour, as a transmitter defined by the Transmission System Code would comply with the Transmission System Code with respect to attaching renewable generation projects or generator customers.
2. As a privately owned line, does Detour anticipate accommodating additional connections? On what basis would Detour expect to address such requests and, where appropriate, facilitate such connections?



3. In EB-2010-0243, Detour indicated that Coral Power had expressed interest in connecting to the line. Has there been any further development in this regard?
4. Is Detour aware of any additional expressions of interest in such projects, perhaps from aboriginal groups?

### **Interrogatory #11: Land Matters**

**Reference:** (1) Exhibit A/Tab 3/Schedule 1/ Page 2  
(2) Exhibit B/Tab 6/Schedule 4

**Preamble:**

Reference (1) lines 28-31 states that:

“In order to complete the project, Detour requires a number of permits and certain land rights both for construction and permanent rights. Detour will obtain the required land rights prior to entering the lands for the construction of the transmission line. A summary of the impacted landowners and rights holders is provided at Exhibit B, Tab 6, Schedule 3. “

Reference (2) provides a Table of Landowners & Mining Claims & Rights Holders.

**Question/Request:**

1. In regard to Reference (1) please confirm that the summary of the impacted landowners and rights holders is at Exhibit B, Tab 6, Schedule 4 (and not at schedule 3 as indicated).
2. In regard to Reference (2) please provide an updated table indicating also the type of interest being sought in the land for all identified registered interests, and the status of negotiations/settlements of these easements.

Registered Property Owner Name(s)	Legal Description of Land	Interest Sought	Status of Negotiations/Settlement

-End of document-

**ATTACHMENT (I) TO INTERROGATORY #4**

Ontario Energy  
Board  
P.O. Box 2319  
2300 Yonge Street  
27th. Floor  
Toronto ON M4P 1E4  
Telephone: (416) 481-1967  
Facsimile: (416) 440-7656  
Toll Free : 1-888-632-6273

Commission de l'Énergie  
de l'Ontario  
C.P. 2319  
2300, rue Yonge  
27e étage  
Toronto ON M4P 1E4  
Téléphone: (416) 481-1967  
Télécopieur: (416) 440-7656  
Numéro sans frais : 1-888-632-6273



Compliance Office

September 11, 2006

Compliance Bulletin 200606

To: All Licensed Electricity Transmitters

Re: Allocation of Costs for Customer Connections to Transmission Systems

**This Bulletin clarifies how electricity transmitters are to allocate costs for customer connections to transmission systems.**

Section 6.3 of the Transmission System Code (TSC) addresses cost responsibility for new and modified connections. With regard to customer connections, the TSC deals with cost allocation of *connection* facilities and *network* facilities differently. Costs associated with additions or upgrades to *connection* facilities are allocated to the connecting customer while costs associated with additions or upgrades to *network* facilities are generally allocated to the transmitter. The TSC contemplates that some assets in a *network* facility may, in fact, serve a connection function. The cost responsibility principles of the TSC require that a customer be allocated the full cost of connection to the transmission system.

It is my view that, in keeping with the TSC requirement that connecting customers be allocated the cost of connection, connecting customers are responsible for costs that are directly related to the physical interface connection with the transmission system regardless of where, on the transmission system, the connection occurs. It is my view that the costs of these "minimum connection requirements" are to be borne by the connecting customer even when the assets necessary to achieve the minimum connection requirement will be located within the transmitter's *network* facilities. It is also important to note that in some cases, all or some of the minimum connection requirement may be physically located away from the actual connection interface point for practical or economic reasons. Where a customer connects to a line, for example, and a breaker is required to mitigate reduced reliability resulting from the new connection, it may be better to install that additional breaker at an upstream station rather than at the point of connection to the line. In such cases, the additional required breaker should be considered part of the minimum connection requirement even though it is not physically located at the actual interface connection point.

Where all or some modifications involve *network* facilities, some apportionment of cost may be necessary to reflect the fact that not all the network modifications form part of the minimum connection requirement. If a customer connection is made to a *network* station, for example, it will often require two terminating breakers in a ring-bus arrangement rather than a single radially connected breaker terminating on a station bus. In such circumstances, it is my view that the TSC requires that one breaker forms part of the minimum connection requirement and its cost should be allocated to the connecting customer while the second breaker is for the benefit of all ratepayers and its cost should be allocated to the transmitter.

Section 6.1.2 of the TSC requires that transmitters ensure that new or modified connections to its transmission system do not materially reduce the reliability or performance of its transmission system. This must be a consideration in determining the minimum connection requirements. The minimum connection requirement will generally consist of the following:

- a) Connection interface equipment including i) terminating structures, ii) disconnect switches and iii) line or bus connections which may include line taps or bus extensions if required.
- b) Automatic interrupting devices such as breakers or circuit switchers as required by the IESO or the transmitter located at the connection interface (or alternate location as discussed above), their associated structures and disconnect switches. As noted in the discussion above, some apportionment of cost may be necessary if these devices are located in a *network* facility.
- c) Protection and control and associated telecommunication directly related to the minimum connection requirement interrupting devices, and/or the connecting customer's interrupting devices.
- d) Incremental additions to existing special protection systems such as load or generation rejection required to incorporate the connecting customer.

Therefore I expect that transmitters should allocate costs associated with these minimum connection requirements to the connecting customer.

Please direct any questions you may have on this matter to the Market Participant hotline at 416-440-7604 or by e-mail at [market.operations@oeb.gov.on.ca](mailto:market.operations@oeb.gov.on.ca).

Brian Hewson  
Chief Compliance Officer  
Compliance Office

No statutory power of decision has been delegated to the Chief Compliance Officer, and the views expressed in this Information Bulletin are not binding on the Board. The Chief Compliance Officer may seek enforcement action by the Board under Part VII.1 of the *Ontario Energy Board Act, 1998*, in relation to non-compliance.

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