Hydro One Networks Inc.
8th Floor, South Tower
483 Bay Street
Toronto, Ontario M5G 2P5
www.HydroOne.com

Tel: (416) 345-5700
Fax: (416) 345-5870
Cell: (416) 258-9383
Susan.E.Frank@HydroOne.com

Susan Frank
Vice President and Chief Regulatory Officer
Regulatory Affairs

BY COURIER

June 21, 2011

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
Suite 2700,
2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Walli:

EB 2011-0027 – Summerhaven Wind LP Leave to Construct a New Transmission Line – Hydro One Networks' Responses to IESO's Interrogatories

Please find attached the responses provided by Hydro One Networks to Interrogatory questions in the above-mentioned proceeding.

A copy of this cover letter and the attached responses have been filed in text-searchable electronic form through the Ontario Energy Board's Regulatory Electronic Submission System and the confirmation slip is also enclosed.

Sincerely,

ORIGINAL SIGNED BY SUSAN FRANK

Susan Frank

Independent Electricity System Operator (IESO) INTERROGATORY #1 List 1

Interrogatory

1. Please provide an estimate of the planned construction timelines for each of the connection configuration options that were considered for connecting the Summerhaven and Nanticoke Port Dover wind projects to Hydro One's transmission system.

Response

During Hydro One's planning stages for both projects, which began in June, 2010 with the filing by both proponents of separate SIA/CIA applications with the IESO, two options were considered: initially, two separate stations, and later a common station. The construction timeline to implement either option would take approximately 100 weeks, with the common station option requiring approximately 2 weeks more for engineering. These timelines assume that all the required approvals are available, including the proponents' Renewable Energy Approval ("REA") and any OEB approvals related to leave to construct and land acquisition.

In the case of the common option, it was recognized in the planning discussions that the time to obtain these approvals would be lengthened, given that both proponents had already begun approvals processes based on having separate stations, and switching to an alternative approach would require amending and re-filing those applications. The incremental time to obtain the required approvals is estimated at a minimum of 9 – 12 months. More detail is provided in later responses.

Independent Electricity System Operator (IESO) INTERROGATORY #2 List 1

Interrogatory

2. Please provide an estimate of the likely costs to provincial transmission customers that are associated with each of the connection configuration options that were considered.

Response

Estimated Network Pool Costs ($M)	
Two Separate Stations	$40.0
One Common Station	$30.0

The estimate provided for the two separate stations is a detailed engineering estimate. The estimate provided for the common station is lower quality, as detailed engineering work on that option was not carried out because it was not selected.

In addition to the above costs borne by provincial transmission customers, additional costs would be incurred for the line work and connection facilities, both of which would be borne by the proponents.

Independent Electricity System Operator (IESO) INTERROGATORY #3 List 1

Interrogatory

3. Of the connection configuration options considered, please confirm whether Hydro One recommended or had any preference for connecting the two wind projects to its transmission system.

Response

After initially raising the option of a common station with the proponents on Sept. 2, 2010, in a subsequent meeting between Capital Power, NextEra Energy, the IESO and Hydro One held on September 27, 2010, Hydro One proposed a common connection station as the preferred alternative.

That meeting took place just after a draft SIA had been issued on September 24, 2010, to one of the proponents. The draft SIA included the IESO's initial recommendation concerning a common station.

The key planning milestones for the projects, all of which occurred in 2010, are shown below:

- SIA/CIA Applications Declared Completed: June 16 & June 25 (Summerhaven & Port Dover)
- Draft SIA issued to proponents: Sept 24 & Oct 3
- Draft CIA issued to proponents: Oct 7 & Oct 14
- Final SIA/CIA Package issued: Nov 8 & Nov 15

In an attempt to mitigate the expected delays to the proponents' schedules associated with switching from the separate to the common station option at a fairly late date in the planning process, and after considerable planning and approvals work (REA, OEB, land, etc.) had already been undertaken on separate stations, Hydro One proposed exploring the possibility of providing a temporary connection. Had a temporary connection been feasible, changing to the common station option could likely have occurred within the required timelines. However, further review by both Hydro One and the IESO identified reliability concerns with this temporary connection, which concerns rendered the common station option infeasible.

On Oct. 21, 2010, one of the proponents advised Hydro One that its preference was to move ahead with the separate stations option, and the planning focus proceeded on that basis from that time.

Independent Electricity System Operator (IESO) INTERROGATORY #4 List 1

Interrogatory

4. If Hydro One recommended or have a preference with respect to question 3 above, to the extent possible, please identify and discuss any efficiency that will be achieved from implementation of the preferred option.

Response

Hydro One's rationale for proposing a common connection station was that it would provide the following benefits:

- lower overall capital cost;
- enhanced reliability;
- reduced environmental impact;
- more efficient use of Hydro One Engineering and Construction Resources; and
- lower future OM&A costs (e.g. maintenance)

Hydro One continues to believe that absent other considerations, a common station would be preferable for the above reasons. However, as the situation now exists and with a temporary connection not available as discussed in Response 3 above, the common-station option would have adverse impacts on the overall schedule and costs of both proponents and Hydro One. In Hydro One's case, engineering activities would be delayed by nine months if a decision were now made to change to a common station. In addition, a significant portion of the engineering work that has been carried out to date on the two separate stations would need to be redone.

For one or both of the proponents, schedule impacts could include the following:

- Filing and processing of a Section 92 application
- Time to redo required field studies (seasonally dependent) and prepare and process an amendment to the REA
- Time to amend the SIA and CIA
- Acquisition of property rights for the additional transmission right-of-way required to connect to a common station
- Construction of the additional transmission line

As noted earlier, the minimum time to complete the steps above is estimated at 9 – 12 months.

The proponents have advised that they could also incur other cost and schedule impacts if a common station option were now to be implemented.