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August 12, 2011

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4
Attention: Board Secretary
E-mail: Boardsec@ontarioenergyboard.ca
Tel: 1-888-632-6273 (toll free)
Fax: 416-440-7656

Dear Ms. Walli:

Please find enclosed our intervenor interrogatories in the above proceeding. Please forward the enclosed to the Applicant and all registered intervenors.

Best Regards,
William Machacek,
Land owner

Intervenor Interrogatories in EB-2011-0217

Interrogatory 1: Project Cost

Preamble:

We acknowledge that environmental issues are not to be dealt with through the Ontario Board Hearing. We are in the process of forming a group of concerned farmers/ land owners to deal with the Environmental cleanup which will be required to reduce impact on surrounding farmland. We have been in direct contact with CN regarding this matter. **The line of**

questioning here is directed at the financial impact on power costs if these concerns/liabilities are not addressed prior to project approval.

In the application you state (pages 6 and 13) *'The Transmission Project and the cost of connecting to HONI's Chatham SS will be paid for by the Applicant. Therefore the cost the Transmission Project and the connection to the Chatham SS will have no impact on transmission rates in Ontario.'*

In our correspondence dated July 25, 2011 and as stated in the evidence publically filed with the Ontario Energy Board, Chatham-Kent Transmission Inc. ("CKT") (a corporation controlled by The Corporation of the Municipality of Chatham-Kent and part of the Chatham-Kent Energy (CKE) group of companies) may seek to purchase a 100% fee simple interest in lands comprising part of the CASO Subdivision upon the completion of the abandonment process.

According to the application for Electricity Transmission Licence by Chatham-Kent Transmission Inc. filed with the Board November 2010, *'subsequent to construction completion, Pattern will apply to the Ontario Energy Board for leave pursuant to Section 86 of the Ontario Energy Board Act to sell the transmission facility to Chatham-Kent Transmission ("the Applicant") at cost. Subject to Board approval, the Applicant would thereafter own and operate the transmission facilities.... Costs will be recovered directly from Pattern in the form of contributed capital and operational cost recoveries under the terms of a 20-year commercial agreement to be mutually agreed upon between the two parties.'*

Questions:

- A. The indemnity coverage in the easement agreement does not hold SKW responsible to cover the losses of rent, business opportunities, crop production and profits that may result from the Grantors loss of use of property – if this liability is taken by CKT will that liability potentially affect power costs?
- B. In our correspondance on July 25th, 2011 it is stated that it is your understanding that CKT will have contracual rights against CN to cause CN to remove all railway facilities from the SASO Subdivision –What is the basis for this understanding? Where could we see the terms of this agreement? Is this publically available information? What is the time line for this removal relative to construction of the transmission corridor?
- C. If CKT takes on the liability of the land from CN and the land is not properly cleaned up, **will the liability and costs for this remediation and the effects on surrounding farm land production be passed on to CKE and therefore be reflected in the downstream transmission rates in Ontario,** or do you see these costs being passed on directly to municipal tax payers?

Interrogatory 2: Promotion of renewable energy sources

Preamble:

The Ontario Ministry of Energy and Infrastructure has initiatives to promote and invest in biofuels as a renewable energy source. Corn and soybean crops, commonly farmed along the property in question, can be used for ethanol and biodiesel production respectively.

Questions:

- A. What is the total amount of acreage in the corridor?
- B. What percentage of that land will be used directly by the power lines and structures?
- C. Is SKW open to allowing the land not used by power structures to be returned to farmland allowing efficient production of biodiesel crop production?