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**BY E-MAIL and COURIER**

June 30, 2011

Ms. Rosemarie T. Leclair  
Chair and CEO  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, Ontario  
M4P 1E4

Dear Ms. Leclair:

Further to your letter dated April 25, 2011, the OPA is pleased to deliver a report documenting its preliminary assessment of the need for a new East-West Tie line between Northeast and Northwest Ontario. The Minister of Energy suggested in his letter dated March 29, 2011, that the Board undertake a designation process to select the most qualified and cost-effective transmission company to develop a new East-West Tie line. The Minister noted that the Board's Policy Framework for Transmission Project Development Plans is well suited to apply to this project.

Your letter indicates that the Board is prepared to proceed with a designation process to develop the East-West Tie line provided that project planning is justified. The enclosed report is intended to provide planning justification to support the implementation of the OEB's transmitter designation process. The report provides information on the background and rationale for the expanded East-West Tie line, as well as the OPA's recommendations on its scope and timing. The OPA recommends that development work be initiated on this project in order to maintain its viability as an option to meet the long-term supply needs of Northwest Ontario. Based on OPA's preliminary assessment, expansion of the East-West is the preferred alternative based on economic, flexibility, technical, operational and other considerations.

The OPA recognizes that final assessment of need and therefore approval to construct a line will still require a hearing before the Board for leave to construct a transmission line. The OPA notes that proceeding with this project after development work has been completed will depend on many factors, including the capital cost of the East-West Tie line and the extent of the developments in the Northwest described in the enclosed report. The development work for the East-West Tie project will provide the necessary information to guide a final decision on whether to proceed with the project through the Board's leave to construct process.

## Ontario Power Authority

As requested, the report includes the following technical information:

- the line connection points to the existing system
- specific routing requirements besides the connection points
- the required carrying capacity of the line
- technical requirements to address the system need identified above
- available information regarding benefits of the project to ratepayers.

The OPA appreciates the opportunity to provide the enclosed report and trusts that it will assist the Board. The OPA would be pleased to participate during any future planning process and designation proceeding by providing additional information relating to project requirements and need. The OPA will also provide support to a designated transmitter during the project's implementation process.

Yours truly,

A handwritten signature in black ink, reading "Colin Andersen" with a long horizontal flourish extending to the right.

Colin Andersen  
CEO

Enclosure

cc: The Honourable Brad Duguid, Minister of Energy