

**OEB STAFF INTERROGATORIES**  
**ONTARIO POWER GENERATION INC.**  
**APPLICATION FOR LEAVE TO CONSTRUCT**  
**TRANSMISSION FACILITIES IN THE**  
**LOWER MATTAGAMI REGION**  
**EB-2011-0056**

**(A) ALTERNATIVES CONSIDERED**

*References:* (1) *Exh. B, Tab 1, Sch. 1*  
(2) *Exh. B, Tab 6, Sch. 2, Pages 5-6*

**Preamble**

The pre-filed evidence indicates that OPG considered 5 alternatives (including the Do Nothing alternative) to transmit the additional Smoky Falls GS generation to the Hydro One transmission system. From the evidence:

- Alternative 2 which involves construction of a new double circuit 230 kV transmission line, approximately 3 km in length (the “Proposed Line”), is OPG’s recommended alternative;
- Alternative 3, which includes additional switching facilities at Little Long SS, is highly recommended by the IESO. Based on the evidence, “This connection arrangement was discussed and reviewed by the IESO, OPG and Hydro One but the expanded Little Long SS could not be economically justified...” and is therefore not recommended by OPG. Other than a qualitative discussion of the benefits, no estimates of cost or benefits are provided;
- Alternative 4, which includes a single circuit 230 kV Line to an expanded Little Long Substation, was rejected because it would be significantly more costly than Alternative 2. No evidence is given to support that conclusion, e.g., study results, cost/benefit analysis; and
- Similarly, other than stating that Alternative 5 is ruled out because the existing 115 kV lines S3S and S4S are insufficient to carry the new Smoky Falls GS output, there is no evidence to support this conclusion, e.g., assumptions, study results etc.

**Questions Requests**

- IR-1** Please provide the results of any studies, cost/benefit analysis etc that would support the conclusion that Alternative 3 is not economically justified.
- IR-2** Please provide the results of any studies, cost/benefit analysis etc that would support the conclusion that Alternative 3 is more costly than Alternative 2 and is therefore not recommended.
- IR-3** Please provide the results of any studies that would support the conclusion that the existing Hydro One 115 kV single circuit lines S3S and S4S are insufficient to carry the new Smoky Falls GS output.
- IR-4** Has OPG considered the option of upgrading the existing 115 kV circuits S3S and S4S so that they can carry the new Smoky Falls GS output? If not, please explain why not. If yes, please provide the results of any studies, cost/benefit analysis etc that would support the conclusion that Alternative 5 should be ruled out on technical and/or economic grounds.

**(B) PROJECT COST, ECONOMICS AND RATE IMPACT**

*References:* (1) *Exh. B, Tab 4, Sch. 1*  
(2) *Exh B, Tab 4, Sch 3*

**Preamble**

The evidence indicates that the total cost of the Proposed Line is estimated to be approximately \$6.6 million and that it will be funded by OPG as part of the overall cost of the larger project to increase the capacity of four generating stations owned by OPG located along the Lower Mattagami River (the "LMR Project").

OPG states that it is not a rate regulated transmitter, is not seeking recovery of the cost of the Proposed Line through transmission rates and, therefore, the cost of the Proposed Line has no impact on transmission rates.

OPG submitted that the economic feasibility of the Proposed Line was evaluated by OPG as part of the economic evaluation for the overall LMR Project, and not on a stand-alone basis.

OPG also submitted that the costs recovered for the LMR Project, including the proposed line, will impact consumers through the Global Adjustment. OPG further submitted that the cost of the Proposed Line and its impact on consumers is not material in the context of the overall cost for the LMR Project.

**Questions / Requests**

**IR-5** Please provide a brief explanation of how the cost for the Proposed Line will impact consumers through the Global Adjustment and why the impact on consumers is not material in the context of the overall cost for the LMR Project.

**(C) SYSTEM IMPACT ASSESSMENT (SIA)**

*Reference: Exh. B, Tab 6, Sch. 2, Pages 3-4*

**Preamble**

The SIA report recommended that a Notification of Conditional Approval be issued for the LMR Project subject to the IESO's requirements in the SIA report and any further requirements that may be identified by Hydro One in the Customer Impact Assessment.

Board staff notes that OPG did not file a Notification of Conditional Approval in its pre-filed evidence (as is generally required in a Section 92 application).

**Questions / Requests**

**IR-6** Please confirm that OPG will fulfil the IESO's Requirements for Connection contained in the SIA report and also ensure that the requirements specified for Hydro One and for OPG/Hydro One will be completed.

**IR-7** Please provide a signed copy of the IESO's Notification of Conditional Approval for the SIA.

**(D) CUSTOMER IMPACT ASSESSMENT (CIA)**

*Reference: Exh. B, Tab 6, Sch. 3, Pages 6 and 10*

**Preamble**

It is stated in the CIA report that with the Lower Mattagami expansion, the short circuit level at Kapuskasing TS would be nearing the Transmission System Code ("TSC") threshold level. The report also recommends that customers connected in the area should review the fault levels at their connection points to confirm their equipment is capable of withstanding the increased fault and voltage levels.

**Questions / Requests**

- IR-8** Has Hydro One's recommendation that affected customers review the adequacy of their equipment to withstand the increased fault and voltage levels been carried out?
- IR-9** If the answer to IR-8 is "yes", what is the outcome and status of any outstanding requirements?
- IR-10** If the answer to IR-8 is "no", what is the status of the recommendation and when does OPG expect that it will be completed?

**(E) ENVIRONMENTAL ASSESSMENT**

*Reference: Exh B, Tab 6, Sch 5, Page 1*

**Preamble**

The above-noted reference states that a Notice of Approval to Proceed and Order in Council providing approval to proceed with the LMR Project was issued by the Ministry of the Environment ("MOE") on December 15, 1994. The reference also states that the Provincial EA identifies the transmission line from Smoky Falls GS as a 7 km line to Little Long Sub-Station rather than the 3 km line now proposed (the Proposed Line).

OPG submitted that it is in the process of obtaining a variance to the Provincial EA to reflect the changed route for the line and that early discussions with the MOE indicate that the variance will likely be treated as minor and will not require any consultation. OPG further states that official confirmation from the MOE that the variance is minor will be sought by OPG by mid 2011.

**Questions / Requests**

- IR-11** Has the MOE provided official confirmation that the variance to the line route is considered minor and that no further consultation will be required?
- IR-12** If the answer to IR-11 is "yes", please provide a copy of the MOE's confirmation documents.
- IR-13** If the answer to IR-11 is "no", please provide the status of the consultation including any outstanding requirements and the date that the EA requirements are expected to be completed and confirmed by the MOE.

**(F) ABORIGINAL PEOPLES CONSULTATIONS**

*Reference: Exh B, Tab 6, Sch 4*

**Preamble**

OPG submitted that as part of the process for consultation with Aboriginal Peoples, OPG and government agencies identified First Nations and Aboriginal organizations with a potential interest in the LMR Project. OPG also states that it extended consultation opportunities to the groups identified and subsequent consultations with Aboriginal organizations took place in the period May 2007 to May 2009.

In addition to the above-noted consultations, OPG states that it has been in ongoing consultations with the Moose Cree First Nation ("MCFN") on the LMR Project since 2006. This has led OPG and MCFN to sign a Comprehensive Agreement identifying MCFN's interests associated with the LMR Project. Under the Comprehensive Agreement, MCFN has an opportunity to become an up to 25 per cent interest partner in the LMR Project.

**Questions / Requests**

**IR-14** Is OPG of the opinion that its requirement for consultation of Aboriginal Peoples has been fulfilled? If so, please explain why OPG believes this is the case. If not, please advise of any outstanding consultation requirements.

**IR-15** Please provide the status of OPG's partnership agreement with the MCFN.

**(G) LAND RELATED MATTERS AND OTHER APPROVALS**

*Reference: Exh B, Tab 2, Sch 1, Pages 2-3*

**Preamble**

OPG submitted that:

- the Proposed Line will be located adjacent to the existing 115 kV lines S3S/S4S;
- approximately 1 km of the Proposed Line, out of Smoky Falls GS , will be on OPG leased lands;
- the remaining 2 km of the Proposed Line will be located on Crown land; and
- there is no private ownership on the land required for the Proposed Line.

**Questions / Requests**

**IR-16** Who is the owner of the OPG leased lands?

**IR-17** Please provide the status of any outstanding approvals and permits needed to complete construction of the Proposed Line on the OPG leased lands.

**IR-18** Please provide the status of any outstanding approvals and permits needed to complete construction of the Proposed Line on the Crown land.