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September 30, 2011

BY COURIER, EMAIL AND RESS

Ms. Kirsten Walli Board Secretary Ontario Energy Board 2300 Yonge Street 27th Floor, Box 2329 Toronto, ON M4P 1 E4

Dear Ms. Walli:

Re: Haldimand County Hydro Inc. Comments on Draft Conditions of Approval Board File No: EB-2011-0027

We are counsel to Haldimand County Hydro Inc. ("HCHI") in this proceeding and are responding to a request for comments on the Draft Conditions of Approval issued by the Board on September 20, 2011.

Board Draft Conditions of Approval

HCHI has have reviewed the Draft Conditions of Approval and generally support the direction and intent but would like to make the following general comments. The Draft Conditions establish the legal obligations for which parties are required to abide. As such, HCHI is of the view that to the extent reasonably practicable, the Conditions of Approval should very clearly specify the Board's expectations so the parties can plan and act accordingly. HCHI has specific comments regarding Conditions 1.4 and 2.3.

In this regard, HCHI felt the Board's Draft Conditions would benefit from additional clarity, in particular, regarding the definition (1) "Adjacent Length" and "HCHI Proposed Upgrade"; (2) the Baseline Survey; and (3) the installation of the neutral decoupling devices.

 Condition 2.1 – HCHI understands that the "Adjacent Length" is the portion of the transmission line that runs adjacent and parallel to Concession Road 5. HCHI would submit that the definition of "HCHI Proposed Upgrades" would benefit from the inclusion of the typical construction drawings submitted by HCHI on July 13, 2011. These drawings have been appended to this letter of comment for your convenience.

Condition 2.10 - Baseline Survey – HCHI would like clarity regarding the location and duration of the measurements for preparing the Baseline Survey. The Distribution System Code, Appendix H – Farm Stray Voltage Distributor Investigation Procedure, provides a methodology for investigating stray voltage that utilizes a multiple phase approach. Phase 1, the Animal Contact Test and Farm Stray Voltage Test, is to be conducted on the customer premises for a continuous period of at least 48 hours. Phase 2 is the Distributor Contribution Test. Based upon the Phase 1 results, Phase 2, H.5.2.1 (3) requires the measurements to occur at the time of the highest ACV as determined in Phase 1.

HCHI is not suggesting the Baseline Survey would require a Phase 1 study as set out in Appendix H. HCHI is comfortable with readings on the distribution system only. However, the time at which the ACV is highest or the critical time for measurement may not be known for the Baseline Survey. Therefore, HCHI is of the view that readings on the distribution system should be recorded for the Baseline Survey for a continuous period of 48 hours unless there is a known time at which the ACV would be highest in which cases readings at such time would be sufficient.

HCHI request the Board to specify the location and duration of the readings to be taken for the Baseline Survey.

3. Condition 2.12 – HCHI recognizes that the identification of the "relevant interconnection points" is not readily identifiable at this time and therefore would submit that it is reasonable for the Applicant and HCHI to determine the relevant interconnection points at a later date.

HCHI would like to specifically express its support of Condition 1.4 which will require the Applicant to follow the strong IESO recommendation to have a common connection location with the Port Dover and Nanticoke Wind Farm proposed by Capital Power. HCHI is in favour of this requirement as the evidence filed indicates that two connection locations is less desirable from a technical (service quality) perspective and will result in additional costs to the ratepayers. Further, HCHI is of the view that a regional integrated transmission strategy would result in a single connection location. HCHI is of the view that the current wording is the proper approach to planning.

With respect to condition 2.3, HCHI would suggest using a 5 metre distance from the south property line of the Concession Road 5 right of way and removing the reference to the 6.3 metre separation from the HCHI proposed upgrades.

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Applicant's Proposed Amendments to Draft Conditions of Approval

HCHI and the Applicant have been discussing the Draft Conditions of Approval. HCHI continue to have discussions to improve the Draft Conditions of Approval. The following comments are based upon draft proposed amendments suggested by the Applicant. HCHI suggest that the proposed amendments should be reviewed in light of the comments and above. Further, HCHI does not take issue with the proposed amendments, except as specifically noted below:

Condition 1.4 – For the reasons outlined above, HCHI does not support the Applicant's proposed amendment to eliminate the requirement for a common connection location for the Applicant's proposed connection and the proposed connection for the Port Dover and Nanticoke Wind Farm. HCHI would also suggest that there should be an express expectation that Capital Power would co-operate in such a requirement.

Condition 2.4 – We understand that certain environmental permitting requirements may limit the Applicant's installation options where the Transmission Line crosses Concession Road 4. In the unlikely event that a situation arose where environmental permitting resulted in the installation of the Transmission Line in such a configuration that HCHI was required to install the 27.6kV circuit underground to achieve code compliance, HCHI would submit that the Applicant should bear the incremental cost of an underground installation.

Condition 2.5 – HCHI does not agree with the proposed change from 10 metres to 5 metres. The 10 metre distance was an appropriately conservative approach recommended by Kinectrics. If the Board amends Condition 2.3 as suggested above it will serve to minimize the required offset of the poles.

Condition 2.10 – See comments above regarding the manner in which the Baseline Survey should be completed. HCHI accepts that the Applicant should not bear the cost of bringing HCHI's distribution system to meet the applicable code requirements. HCHI agrees that the Applicant should not bear the cost of a second Baseline Survey where the need for such a survey results from HCHI completing the installation of the HCHI Proposed Upgrades after the Baseline Survey has been completed but prior to the Post Energization Survey. HCHI believes the Applicant and HCHI should be able to coordinate the work to avoid such a situation arising but appreciate the Applicant's desire to have such understanding incorporated into the Conditions of Approval.

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If there are any questions or clarifications required, please contact the undersigned at your earliest opportunity.

Yours truly,

AIRD & BERLIS LLP

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Scott A. Stoll

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Attachments.

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