

Ministry of Energy

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RECEIVED

MAR 31 2011

**CHAIR
ONTARIO ENERGY BOARD**



MAR 29 2011

MC-2011-1537

Ms Cynthia Chaplin
Chair
Ontario Energy Board
PO Box 2319
2300 Yonge Street
Toronto ON M4P 1E4

Dear Ms Chaplin:

Ontario's Long-Term Energy Plan, published November 23, 2010, identified five priority transmission projects based on the advice of the Ontario Power Authority (OPA). Among the five priority projects is the East-West Tie, identified by the OPA primarily to meet the need of maintaining long-term system reliability in Northwest Ontario.

Consistent with the intents identified in the Long-Term Energy Plan, I am writing to express the Government's interest that the Ontario Energy Board ("the Board") undertakes a designation process to select the most qualified and cost-effective transmission company to develop the East-West Tie.

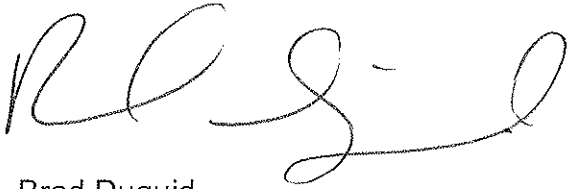
The Board's Policy Framework for Transmission Project Development Plans is well suited to apply to the East-West Tie project. Such an approach would allow transmitters to move ahead on development work in a timely manner, encourage new entrants to transmission in Ontario and bring additional resources for project development. It will also support competition in transmission in Ontario to drive economic efficiency for the benefit of ratepayers.

A designation process for the East-West Tie also promotes the Board's electricity objectives of protecting the interests of consumers with respect to prices and of promoting cost-effectiveness in the transmission of electricity. In respect of those particular ends, and given the location and value of the East-West Tie in ensuring reliability and maintaining efficiency and flexibility of the system, I would expect that the weighting of decision criteria in the Board's designation process takes into account the significance of aboriginal participation to the delivery of the transmission project, as well as a proponent's ability to carry out the procedural aspects of Crown consultation.

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As the Board has noted in its framework, the starting point for transmission project development planning should be an informed, effective plan from the province's transmission planner, the OPA. As such, it would be prudent for the Board to request further analysis for the East-West Tie from the OPA to support initiation of a designation process.

Sincerely,

A handwritten signature in black ink, appearing to read "Brad Duguid". The signature is fluid and cursive, with the first name "Brad" and last name "Duguid" clearly distinguishable.

Brad Duguid
Minister