

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B);

AND IN THE MATTER OF an application under section 60 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B for an electricity transmission licence.

**REPLY MOTION SUBMISSIONS
OF ALTALINK ONTARIO, L.P.**

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EB-2011-0350

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DELIVERED FEBRUARY 7, 2012

A. INTRODUCTION

1. AltaLink Ontario, L.P. (“**AltaLink**”) makes these written submissions in accordance with Procedural Order No. 2 in reply to the written submissions of EWT LP (the “**Applicant**”) filed January 31, 2012 (the “**EWT Submissions**”) in respect of AltaLink’s motion to compel further and better interrogatory responses from the Applicant filed December 15, 2011 (the “**AltaLink Motion**”) and AltaLink’s additional written submissions filed January 17, 2012 (the “**Additional Submissions**”).
 - A.1 The EWT Submissions obfuscate the differences between the AltaLink Motion and the other motions.*
2. The EWT Submissions detail the Applicant’s responses to the AltaLink Motion as well similar motions brought by each of TransCanada Power Transmission (Ontario) L.P. (“**TransCanada**”) on December 12, 2011 (the “**TransCanada Motion**”) and Upper Canada Transmission, Inc. (“**Upper Canada**”) on December 13, 2011 (the “**Upper Canada Motion**”). Throughout the EWT Submissions, the Applicant refers to all three motions as the “**Motions**” and refers collectively to AltaLink, TransCanada and Upper

Canada as the “**Moving Parties**”.¹ In doing so the Applicant has obfuscated key differences between the AltaLink Motion and the other two Motions. Furthermore, throughout the EWT Submissions the Applicant frequently cites the argument of one Moving Party it disagrees with, but then proceeds to purposefully attribute adverse conclusions to all three Moving Parties rather than simply to the party it disagrees with.

3. AltaLink submits that this argument style is deliberately misleading. The Applicant is, in effect, trying to paint all of the Moving Parties with the same brush. This is inappropriate. Each of the Motions seek distinct relief from the Board, and each of the Moving Parties have advanced their own unique arguments in support of their specific Motions. AltaLink does not think it is appropriate for the Applicant to deliberately misattribute any of AltaLink’s positions to either TransCanada or Upper Canada, and similarly AltaLink submits that it is inappropriate for the Applicant to have deliberately misattributed the positions of TransCanada and Upper Canada to AltaLink and the AltaLink Motion.

A.2 The Applicant’s suggestion that requiring disclosure would be “uniquely prejudicial” is unsubstantiated and unfounded.

4. In Section 3 of the EWT Submissions, the Applicant argues that it would be “uniquely prejudicial” to the Applicant to require the requested disclosure in the context of the licensing proceeding because “the Moving Parties can use [it] for collateral purposes in the Designation Process.” The Applicant argues that “[d]espite the best efforts of the Moving Parties to suggest the Board needs this information to make an informed decision on the Application, it would appear that the Moving Parties are instead demanding responses to the disputed interrogatories to advantage their own prospects in the Designation Process.” The Applicant concludes “[r]equiring disclosure at this time would be seriously prejudicial to EWT and unfair.”²

¹ EWT Submissions at pg. 1, lines 9-20.

² EWT Submissions at pg. 11, line 18 to pg. 12, line 5.

5. The Applicant does not provide any specific explanations as to why it believes that requiring full and complete responses to AltaLink interrogatories 1(c), (e) and (l) and interrogatories 3, 4, and 5 (the “**Disputed Interrogatories**”) would be seriously prejudicial and unfair to the Applicant.
 6. Rather the Applicant limits its argument to a bald assertion (which AltaLink will respond to directly in respect of each of the Disputed Interrogatories below), based upon an allegedly common, although unproven, motivation of all three of the Moving Parties to seek information “for collateral purposes in the Designation Process.”
 7. AltaLink cannot tell the Board what motivated TransCanada or Upper Canada to bring their respective Motions. However, AltaLink can confirm that its motivation in bringing the AltaLink Motion was to ensure that there is sufficient evidence on the record to ensure the Board has the information it needs to make a determination in respect of the financial position, technical capability and past conduct of the Applicant and to ensure the Board clearly understands and is equipped to address the unique issues in this Application which arise because of the Applicant’s non-arm’s length relationship with two of Ontario’s incumbent electricity transmitters.
 8. However, the Applicant’s view that the Moving Parties are seeking information “for collateral purposes in the Designation Process” is particularly concerning to AltaLink. Both HONI and GLPT have been allowed by this Board to fully participate in the licensing applications of not only AltaLink, but also of TransCanada, Upper Canada, and ICCON. In each of these proceedings, HONI and/or GLPT asked and received responses to numerous detailed interrogatories. In light of the Applicant’s framing of the Moving Parties’ substantive concerns, AltaLink has to ask whether HONI and/or GLPT were only seeking the information requested in the other licensing applications for collateral purposes in the Designation Process.
- A.3 *The Applicant is seeking preferential treatment by the Board when compared to onus other new entrant transmitters have had to discharge.***

9. AltaLink submits that the Applicant is seeking preferential treatment from the Board when compared against how the Board has previously treated all other new entrant's transmission licence applications, including AltaLink's licence application. The Applicant seeks to obtain this preferential treatment by relying on its non-arm's length relationship with Great Lakes Power Transmission LP ("GLPT") and Hydro One Networks Inc. ("HONI") to meet the Board's requirements for technical and financial capabilities. The Applicant is clearly relying on the fact that the Board is already familiar with both GLPT and HONI, and is hoping that the Board would therefore be unlikely to ask any specific questions or to investigate too deeply into its Application.
 10. The Applicant appears to have been successful, at-least in part. While Board Staff asked a series of very similar interrogatories of all of the other new entrant transmitters (including AltaLink) to assist the development of the evidentiary record, Board Staff chose not file any written interrogatories in this Application.
 11. The consequence of the lack of interrogatories from Board Staff together with the Applicant's outright refusal to answer many of the interrogatories that it did receive is that there is an evidentiary void on the record in this proceeding compared to the evidence that was available to the Board in the other licensing proceedings for other new entrant transmitters. AltaLink identifies, in respect of each of the Disputed Interrogatories below, the specific circumstances where the Applicant is seeking differential and preferential treatment vis-à-vis the information that has been required on the record of other new entrant transmitters in Ontario.
- A.4 The Applicant is unilaterally trying to narrow the scope of this proceeding by refusing to answer relevant interrogatories in an attempt to withhold relevant information from the Board.***

12. The Applicant readily acknowledges that “[t]he key areas reviewed by the Board in any license application are the financial position, technical capability and conduct of an applicant.”³
13. However, the Applicant then goes to argue that since the Board has previously determined that the licensing application is merely a “threshold qualification step”,⁴ that the Board will only assess the applicant “at a preliminary stage”⁵ to get “some appreciation”⁶ of its ability to operate as a transmitter – the Applicant should not be required to answer questions that are directly relevant to its financial position, technical capabilities, and past conduct because the Applicant has unilaterally determined that the questions simply are not relevant enough.
14. AltaLink submits that this is not a proper or allowable basis upon which the Applicant may refuse to answer relevant interrogatory questions under the Board’s *Rules of Practice and Procedure*. Responses must be provided to every interrogatory relevant to any matter in issue in a proceeding. The Applicant’s discovery obligations is not limited by *degrees of relevance*, such that the Applicant can pick and choose which interrogatories to answer – those that are sufficiently relevant (and in the Applicant’s view, to its advantage) and those that are not sufficiently relevant (and in the Applicant’s view, to its disadvantage). If the Applicant has concerns as to the level of relevance of a particular interrogatory response, those concerns can be addressed by the Applicant in submissions and would go to the weight the Board ascribes to the evidence.

B. THE DISRUPTED INTERROGATORIES

B.1 AltaLink Interrogatory #1(c), (e) and (l)

15. AltaLink asked a series of question intended to better understand what areas of technical capability, expertise and experience the Applicant is relying upon each of its limited

³ EWT Submissions at pg. 8, ln. 8-11.

⁴ Ibid. at pg. 8, ln. 7-8.

⁵ Ibid. at pg. 9, ln. 4.

⁶ Ibid. at. pg. 8, ln. 14.

partners for.⁷ No party disputes that the purpose of this license proceeding is to allow the Board an opportunity to evaluate the technical capabilities of the Applicant.

16. In its interrogatory response, the Applicant refused to answer all of the itemized questions directly. Instead, by merging all the answers into a single response the Applicant has obfuscated the fact that its response has failed to respond to several relevant questions.⁸
17. AltaLink carefully considered the Applicant's response and identified in the AltaLink Motion three specific interrogatories, 1(c), (e) and (l), which the Applicant has failed to provide a full and complete response to even though the questions are directly relevant in light of the Applicant's partial response to AltaLink Interrogatory #1.⁹
18. The Applicant detailed its reasoning for continuing to refuse to respond to AltaLink Interrogatories 1(c), (e) and (l) at Appendix C of the EWT Submissions. AltaLink respectfully disagrees with the Applicant's ongoing refusal for five reasons:
 - (a) First, the Applicant's response to 1(c) and (e) fails to indicate the extent to which it will be drawing upon HONI's and GLPT's employees or resources. AltaLink is concerned that the Applicant's unfair access to the personnel, information and resources of the incumbent Ontario transmitters, (HONI and GLPT), could cause an unfair competitive advantage in respect of the East-West Tie Line designation proceeding unless the Board takes steps to regulate this relationship. AltaLink explained its concern in considerable detail in its Additional Submissions. We understand from HONI's January 9, 2012 letter filed in the EB-2011-0140 proceeding that several very senior employees of HONI have been identified to work for the Applicant, including Peter Gregg, Sandy Struthers, Carmine Marcello, Mike Penstone, and Rhonda Wise. It is unclear whether this is a complete list for HONI, and there is no similar list for GLPT. AltaLink submits that the Board should order the Applicant to explain on the record the extent to which it will be drawing upon HONI's and GLPT's employees or resources.

⁷ AltaLink Interrogatory #1 is attached as Exhibit A to the AltaLink Motion.

⁸ The Applicant's response to AltaLink Interrogatory #1 is attached as Exhibit B to the AltaLink Motion.

⁹ See paragraphs 4-15 of the AltaLink Motion.

- (b) Second, the Applicant's response to 1(c) and (e) fails to address how the Applicant will compensate HONI and GLPT for use of its employees or resources. Since, according to the Applicant, its relationships with HONI and GLPT are not governed by ARC,¹⁰ the Board cannot rely on the transfer pricing restrictions in ARC to ensure that HONI and GLPT are fully compensated for, and the Applicant pays for, the Applicant's use of HONI's and GLPT's ratepayer funded resources. The Applicant repeatedly argues that it is subject to the same cost recovery risk as other new entrant transmitters under the Board's designation framework.¹¹ This misses the point. If the Applicant does not compensate HONI and GLPT for use of ratepayer funded employees and resources, then the Applicant has will have incurred no costs to prepare its proposal and would have nothing at risk to participate in the designation proceeding. In fact, if the Applicant fails to compensate HONI and GLPT an amount equal to fair market value for use of ratepayer funded employees and resources, then Ontario ratepayers will be improperly subsidizing the Applicant's participation in the Board's designation proceeding. AltaLink submits that the Board should order the Applicant to explain on the record how it will compensate HONI and GLPT for use of their employees or resources.
- (c) Third, the Applicant indicates that it intends to rely on GLPT for the development of any future EWT transmission facilities, but the Applicant has refused to answer AltaLink's question in 1(e) asking it to describe GLPT's experience in this regard. This is directly relevant to the Board's assessment of the technical capabilities of the Applicant. If GLPT does not have any transmission development experience, the Applicant should admit as much, and the Applicant should justify its reliance on GLPT in evidence to demonstrate that the Applicant will in-fact have access to qualified transmission development personnel. AltaLink submits that the Board should order the Applicant to explain on the record GLPT's transmission

¹⁰ Section 5.1 of the EWT Submissions.

¹¹ EWT Submissions at pg. 5 ln. 21 to pg. 6 ln. 15 and pg. 20 ln. 32.

development experience, or if there is none, to justify its assertion that it will have access to qualified transmission development personnel.

- (d) Fourth, the Applicant indicates that it intends to rely on First Nations owned businesses to provide inspection and maintenance services for any future EWT transmission facilities, but the Applicant has refused to answer AltaLink's question in 1(l) asking it to describe those First Nations owned business' experience in this regard. This is directly relevant to the Board's assessment of the technical capabilities of the Applicant. It is unclear exactly what First Nations owned businesses are being referred to, and whether that includes or excludes Bamkushwada LP ("**BLP**").¹² In any event, if the First Nations owned businesses referenced do not have any transmission inspection or maintenance experience, the Applicant should admit as much, and the Applicant should justify its reliance on those businesses in evidence to demonstrate that the Applicant will in-fact have access to qualified transmission inspection and maintenance personnel. AltaLink submits that the Board should order the Applicant to explain on the record the inspection and maintenance experience of the First Nations owned businesses, or if there is none, to justify its assertion that it will have access to qualified transmission inspection and maintenance personnel.
- (e) Fifth, the Applicant's response fails to indicate the extent to which it will be drawing upon BLP's employees or resources and fails to address how the Applicant will compensate BLP for use of its employees or resources. However, the Applicant relies upon its relationship with BLP as an "equal, arm's length partner" to argue that the Applicant should not be subject to the ARC.¹³ It is difficult for AltaLink to assess the credibility of the Applicant's assertion that BLP constitutes an "equal, arm's length partner" absent information about the extent to which the Applicant intends to draw upon BLP's employees or resources and how BLP will be compensated for the same. AltaLink submits that the Board

¹² This remains unclear despite the fact that AltaLink asked "To what extent is the Applicant relying upon BLP's transmission maintenance experience?"

¹³ EWT Submissions at pg. 15, ln. 11-22.

should order the Applicant to explain on the record the extent to which it will be drawing upon BLP's employees or resources and how the Applicant will compensate BLP for use of its employees or resources.

19. The Applicant has provided no justification for its assertion that requiring the Applicant to provide the specific responses to any of the above noted inquiries would in any way prejudice the Applicant in the designation proceeding. AltaLink has limited its requests to several discrete, detailed, specific questions aimed at eliciting information directly relevant to the concerns raised in this licensing proceeding.
20. The information requested of the Applicant is very similar in nature to the information requested of, and provided by, other new entrant transmitters during their licensing applications. However, the Applicant appears to be seeking preferential treatment compared to the onus other new entrant transmitters have had to discharge. For instance:
 - (a) AltaLink was asked and provided a full and complete response to Board Staff Interrogatory #1 and HONI Interrogatory #3 in EB-2011-0126, providing detailed additional information about the specific technical resources for the operations and maintenance of new transmission facilities.¹⁴ HONI thought this specific information important enough to ask of AltaLink, but the Applicant now refuses to respond to similar inquiries arguing that in its special circumstances the questions are not relevant. At HONI's insistence, AltaLink even disclosed in response to HONI Interrogatory #4 a detailed listing of projects that SNC Lavalin has completed in Ontario, even though this information is commercially sensitive and confidential and even though SNC Lavalin's general experience in transmission facility development was fully detailed on the record.¹⁵
 - (b) TransCanada was asked and provided a full and complete response to HONI Interrogatories #1 to 11 in EB-2010-0324, providing *very detailed* additional information about its technical resources and experience for the development,

¹⁴ AltaLink's Interrogatory Responses to Board Staff Interrogatory #1 and HONI Interrogatory #3 in EB-2011-0126.

¹⁵ AltaLink Response to HONI Interrogatory #4 in EB-2011-0126 (Updated July 26, 2011).

construction and operations of new transmission facilities.¹⁶ This included a listing of specific projects that TransCanada had been involved with. HONI thought this specific information important enough to ask of TransCanada, but the Applicant now refuses to respond to similar inquiries, arguing that in its special circumstances the questions are not relevant.

- (c) Upper Canada was asked and provided a full and complete response to HONI Interrogatories #2 and 3 in EB-2011-0222, providing detailed additional information about its technical resources for the development, construction and operations of new transmission facilities.¹⁷ This included a listing of specific projects that Upper Canada had been involved with. HONI thought this specific information important enough to ask of Upper Canada, but the Applicant now refuses to respond to similar inquiries, arguing that in its special circumstances the questions are not relevant.

21. A copy of the above referenced interrogatory responses are attached as Appendix “A”.
22. The Applicant appears to be relying upon the Board’s familiarity with both HONI and GLPT to exempt it from having to answer numerous interrogatories relevant to the Board’s assessment of the technical capabilities of the Applicant. Instead the Applicant argues that the Board should strictly limit the information the Applicant must produce to a level of detail that is significantly less transparent than what the Board required of other new entrant transmitters. AltaLink submits that this is inappropriate, and that the Board should order the Applicant to provide full and complete responses to AltaLink Interrogatories #1(c), (e) and (l).

B.2 AltaLink Interrogatory #3

23. AltaLink continues to be concerned that the Applicant has and will have unfair preferential access to confidential system planning and technical information related to

¹⁶ TransCanada’s Response to HONI Interrogatory #1-11 in EB-2010-0324.

¹⁷ Upper Canada’s Response to HONI Interrogatories #2 and 3 in EB-2011-0222.

the East-West Tie Line that will create an unfair informational advantage because no other participant in the EB-2011-0140 will have access to such information.

24. The Board has regularly acknowledged that as part of a transmission licence application, it will also consider issues that are particular to an applicant. In AltaLink's and TransCanada's transmission licence proceedings, the unique issues revolved principally around the applicant's existing inter-corporate codes of conduct and related exemption requests to particular transmission licence provisions. In the present proceeding, the particular issue revolves around the how the Board will regulate the Applicant to ensure that it will not gain an unfair informational advantage over other new entrant transmitters because of its non-arm's length relationship with HONI and GLPT.
25. In this context, AltaLink asked a series of specific question intended to clarify to what extent the Applicant has or could gain access to information that would give it an unfair informational advantage in the EB-2011-0140 designation proceeding.¹⁸
26. In its interrogatory response, the Applicant refused to answer the questions on the basis that they were "irrelevant", and referred to the reasons it gave for refusing to answer TransCanada Interrogatory #1.¹⁹
27. AltaLink explained its concern in considerable detail and the reasons why it disagrees with the Applicant in both its Notice of Motion at paragraphs 16-30 and throughout its Additional Submissions.
28. In response, the Applicant detailed its reasoning for continuing to refuse to respond to AltaLink Interrogatory #3 at Appendix C of the EWT Submissions. Specifically, the Applicant argues that the "Interrogatory requests information that is relevant only to the East-West Tie", that "project-specific information is irrelevant to a licensing proceeding", and "is only potentially relevant to a Designation Process." In addition, the Applicant suggests that AltaLink neglects "that EWT is not an affiliate of GLPT or HONI."

¹⁸ AltaLink Interrogatory #3 is attached as Exhibit A to the AltaLink Motion.

¹⁹ The Applicant's Response to AltaLink Interrogatory #3 is attached as Exhibit B to the AltaLink Motion.

29. AltaLink disagrees. AltaLink does not neglect “that EWT is not an affiliate of GLPT or HONI.” Rather AltaLink expressly acknowledges the Applicant's position that ARC does not currently apply to the relationship between the Applicant, HONI and GLPT.²⁰ This is, in-fact, the problem. AltaLink cannot rely upon the Board’s usual rules regarding the sharing of employees between HONI, GLPT and the Applicant to address its concerns. In effect, two incumbent transmitters, HONI and GLPT, are attempting to do jointly something that they would be unable to do individually without regulatory oversight. The result is a regulatory void that AltaLink submits the Board should step in to fill.
30. Similarly, AltaLink has not mischaracterized the purpose of this license proceeding and the designation process. AltaLink notes that the Board issued a letter on December 22, 2011 as part of the Board’s East-West Tie Designation Process (EB-2011-0140) requesting additional information about the Unfair Access Rules and Information Sharing Protocols (each as defined in the Additional Submissions) of HONI and GLPT. AltaLink openly acknowledges that the Board’s EB-2011-0140 is another forum within which this issue could be addressed.²¹ This is contrary to assertions of the Applicant that AltaLink is trying to mischaracterize this licensing proceeding and confuse it with the Board’s designation proceeding.²²
31. However, as is more fully detailed in the Additional Submissions, both HONI and GLPT has failed to provide any information that would in a meaningful way address the Board’s and AltaLink’s concerns related to the Unfair Access Rules. AltaLink has provided in considerable detail its concerns with the lack of Unfair Access Rules in its Additional Submissions.
32. It is in this context that AltaLink proposed a reasonable solution at paragraph 27 of its Additional Submissions. Specifically, the Board could issue a decision regulating the relationship between the Applicant and each of GLPT and HONI in this licensing

²⁰ See AltaLink’s Notice of Motion at para. 23 and Additional Submissions at para. 22.

²¹ See AltaLink’s alternative request for relief found at paragraph 2 of the AltaLink Motion.

²² EWT Submissions at pg. 6, ln. 18-26.

proceeding by either formally amending the terms of the Applicant's license or by issuing a ruling in this licensing decision that the Applicant, HONI and GLPT will be required to comply with the provisions of ARC.²³

33. This solution could immediately trigger an obligation on each of HONI and GLPT to comply with the information and employee sharing provisions of ARC (which is a condition of their licenses) as well as the provisions related to fair market compensation for use of ratepayer funded resources. The same obligation would be imposed on the Applicant if it is designated and issued a transmission license.
34. In this way, the Board would provide its clear requirements regarding its expectations around the Unfair Access Rules in this proceeding. Then, the question of whether or not the Applicant, HONI and GLPT comply with those clearly stipulated requirements could be addressed as part of the EB-2011-0140 designation proceeding.
35. It is in this context that AltaLink submits that it would continue to be beneficial for the Board to compel a further and better response to AltaLink Interrogatory #3 in this proceeding. AltaLink submits that the Board should clearly understand the type of high-level policy and system planning information that the Applicant had and has access to through its reliance on key HONI and GLPT personnel.
36. AltaLink will limit itself to one substantive illustration of the concerns that Interrogatory #3 is intended to address.
37. On January 21, 2012 the Board issued a website update for documents from the OPA regarding aboriginal consultations for the East-West Tie line. This update provided to all new entrant transmitters public access to, for the first time, a copy of a letter from the Director of the Transmission and Distribution Policy Branch at the Ontario Ministry of Energy to the General Counsel of the Ontario Power Authority dated May 31, 2011 setting out a list of fourteen (14) First Nations and four (4) Métis communities that are subject to the Crown's duty to consult in respect of the East-West Tie Line (the "**May**

²³ AltaLink will address the exact wording of the ruling in final submissions in this proceeding, but will limit these motion submissions to simply raising possible solutions.

31st Duty to Consult Letter”). A copy of the May 31st Duty to Consult Letter is as Appendix “B”.

38. Between the date the May 31st Duty to Consult Letter was issued to the OPA and the date it was released to all other new entrant transmitters on the Board’s website – both incumbent Ontario utilities have entered into a binding and exclusive commercial relationship with BLP, which represents six (6) of the First Nation communities identified in the May 31st Duty to Consult Letter. The commercial relationship involved HONI, GLPT and BLP joining together to create a limited partnership, which in-turn is the Applicant in this proceeding. The question naturally arises – did any person at either HONI or GLPT have access to the May 31st Duty to Consult Letter before January 21, 2012?
39. If the answer to this question is yes, and AltaLink is concerned that it is, then AltaLink submits that there is a very real risk that the incumbent transmitters have used this informational advantage to secure a binding commercial relationship with six (6) of the First Nation communities specified in the May 31st Duty to Consult Letter long before any of the other new entrant transmitters even knew of the specific First Nations and Métis communities that were subject to the Crown’s duty to consult in respect of the East-West Tie Line.
40. AltaLink submits that if this true, then the incumbent utilities’ actions are fundamentally unfair to new entrant transmitters and represent an attempt to exclude new entrant transmitters from being designated to develop the East-West Tie line and to undermine the goals underpinning the Board’s designation process for the East-West Tie line.
41. Finally, the Applicant has provided no justification for its assertion that requiring the Applicant to provide the specific responses to any of the above noted inquiries would in any way prejudice the Applicant in the designation proceeding. AltaLink addressed this issue directly at paragraph 29 of the AltaLink Motion, however rather than directly addressing AltaLink’s submissions the Applicant has chose to ignore those submissions and simply re-iterate its unsubstantiated concerns.

B.3 AltaLink Interrogatory #4

42. AltaLink asked two specific questions intended to better understand only (a) whether the Applicant's relationship with BLP, or any of the six (6) participating First Nations is exclusive and (b) to what extent would the six (6) participating First Nations be willing to cooperate with other new entrant transmitters on development of the East-West Tie line.²⁴
43. In its interrogatory responses dated December 5, 2011, more than a month before the May 31st Duty to Consult Letter was released to all of the other participants in the designation proceeding, the Applicant refused to answer AltaLink's interrogatory on the basis of relevance and indicated that "[t]here is nothing in the structure of the Applicant, or agreements in its formation, which prohibits the six participating First Nations from i) participating in consultation and accommodation with the Crown in respect of the East-West Tie Line."²⁵ It is unclear to AltaLink how the Applicant knew that the Crown's duty to consult obligation applied to all six (6) First Nations participating in BLP at this time, unless of course the Applicant already had access to the May 31st Duty to Consult Letter.
44. However, it is the final part of the Applicant's response that is most noteworthy. In it the Applicant states that "[t]here is nothing in the structure of the Applicant, or agreements in its formation, which prohibits the six participating First Nations from [...] iii) participating in any consultation or negotiating any form of accommodation with a designated transmitter that is not the Applicant." This answer suggests that there is something in the structure or agreements that could prohibit the six participating First Nations from participating in any consultation or negotiating any form of accommodation with a new entrant transmitter that is not the Applicant prior to being designated by the Board.
45. It appears that the incumbent transmitters have used their informational advantage and their existing relationships with First Nations communities located near the East-West

²⁴ AltaLink Interrogatory #4 is attached as Exhibit "A" to the AltaLink Motion

²⁵ The Applicant's Response to AltaLink Interrogatory #5 is attached as Exhibit B to the AltaLink Motion.

Tie project corridor in an attempt to exclude new entrant transmitters from being designated to develop the East-West Tie line and to undermine the goals underpinning the Board's designation process for the East-West Tie line.

46. It is in this context that AltaLink explained the reasons why it disagrees with the Applicant in its Notice of Motion.²⁶ AltaLink is concerned that this is perhaps the most clear example of the Applicant taking advantage of HONI's and GLPT's dominant incumbent position and unfair informational advantage to the detriment of new entrants.
47. The Applicant detailed its reasoning for continuing to refuse to respond to AltaLink Interrogatory #4 at Appendix C of the EWT Submissions. The Applicant argues that *"EWT need not disclose any other information about its relationships with the participating First Nations. That information in no way relates to a preliminary assessment of the financial and technical capability and past conduct of EWT."*
48. AltaLink disagrees. Whether or not the incumbent utilities had access to and used the May 31st Duty to Consult Letter to identify and subsequently secure exclusive commercial relationships with six of the First Nations communities identified in that letter relates directly to the "past conduct of EWT." AltaLink is not suggesting that the Board should supervise how First Nations such as BLP choose to enter into commercial arrangements. AltaLink generally applauds the involvement of First Nations communities in new transmission project development initiatives. However, AltaLink is fundamentally concerned that the dominant incumbent utilities have engaged in anticompetitive practices by relying upon privileged access to sensitive information about the East-West Tie line to identify and then enter into exclusive arrangements with the six participating First Nations.
49. The Applicant has provided no justification for its assertion that requiring the Applicant to provide the specific responses to any of the above noted inquiries would in any way prejudice the Applicant in the designation proceeding. AltaLink has limited its requests

²⁶ AltaLink Motion at para. 35.

to two discrete, detailed, specific questions aimed eliciting information directly relevant to the concerns raised in this licensing proceeding.

B4. AltaLink Interrogatory #5

50. AltaLink asked a series of question intended to clarify to what extent the Applicant is relying upon each of its limited partners and affiliates for financial resources.²⁷ No party disputes that the purpose of this license proceeding is to allow the Board an opportunity to evaluate the financial resources of the Applicant.
51. In its interrogatory response, the Applicant refused to answer the questions on the basis that the “particular information about how EWT LP relies on the financial resources of the listed entities is *irrelevant* to the Application.”²⁸
52. AltaLink explained the reasons why it disagrees with the Applicant in its Notice of Motion.²⁹ In general, the Applicant has provided the financial statements of HONI and GLPT – which *implies* that the Applicant can rely on the financial resources of these entities. However, the Applicant has not indicated the extent to which the Applicant can in-fact rely upon the financial resources of any of its parent companies. Because the Applicant is not a wholly owned subsidiary of any of its parent entities, it is not at all clear whether the Applicant can in-fact rely on HONI, BLP or GLPT for direct financial support or parental guarantees.
53. The Applicant detailed its reasoning for continuing to refuse to respond to AltaLink Interrogatory #5 at Appendix C of the EWT Submissions.
54. AltaLink disagrees with the Applicant’s assertion that its purported “ability to raise financing through equity and debt as would typically be done for transmission projects in Ontario” provides a sufficient response for the purposes of the application. The Applicant does not specify the *source* of the equity or debt financing. It could be GLPT,

²⁷ AltaLink Interrogatory #5 is attached as Exhibit A to the AltaLink Motion.

²⁸ The Applicant’s Response to AltaLink Interrogatory #4 is attached as Exhibit B to the AltaLink Motion.

²⁹ AltaLink Motion at para. 39.

HONI or BLP (they don't say) or it could be through another third party such as a bank, life insurer, pension plan, state or the public markets. If this level of ambiguity is permitted in a license application, any new entrant transmitter could enter Ontario with no true financial resources and simply assert that it would be able to "raise financing through equity and debt as would typically be done for transmission projects in Ontario." AltaLink submits this is simply not sufficient to discharge the Board's threshold, as set out in the Lexi Decision (EB-2009-0164), to evidence the financial capabilities of the Applicant. The audited financial statements of GLPT and HONI are meaningless unless the Applicant is going to rely directly on those financial statements to obtain debt and equity financing by way of a parent company guarantee or other financial arrangement.

55. The Applicant has provided no justification for its assertion that requiring the Applicant to provide the specific responses to this interrogatory would in any way prejudice the Applicant in the designation proceeding. AltaLink has limited its requests to discrete questions aimed eliciting information directly relevant to assessing the financial resources of the Applicant for the purposes of the licensing proceeding.
56. The information requested of the Applicant is very similar in nature to the information requested of, and provided by, other new entrant transmitters during their licensing applications. However, the Applicant appears to be seeking preferential treatment compared to onus other new entrant transmitters have had to discharge. For instance:
 - (a) AltaLink was asked and provided a full and complete response to Board Staff Interrogatory #2 in EB-2011-0126, providing detailed additional information about its specific plans for financing.³⁰ As a new entrant, Board Staff also asked AltaLink to demonstrate a direct linkage between the financial statements of the parent companies filed on the record and AltaLink (the applicant in that proceeding) by asking for a commitment to a parent company guarantee if requested by the Board. This commitment demonstrates the direct financial support of AltaLink's activities by its parent company.

³⁰ AltaLink's Interrogatory Responses to Board Staff Interrogatory #2 in EB-2011-0126.

- (b) Upper Canada was similarly asked and provided a full and complete response to Board Staff Interrogatory #1 in EB-2011-0222, providing detailed additional information about its specific plans for financing.³¹ Upper Canada also committed to agree to the Board's form of parent company guarantee, demonstrating the direct financial support of Upper Canada by its parent NextEra.
- (c) ICCON Transmission Inc. ("ICCON") was similarly asked and provided a full and complete response to Board Staff Interrogatory #3 in EB-2010-0403, committing to agree to the Board's form of parent company guarantee and demonstrating the direct financial support of ICCON by its parent company.³²

- 57. A copy of the above referenced interrogatory responses are attached as Appendix "C".
- 58. Board Staff has chosen not to file interrogatories in this proceeding and the Applicant now refuses to respond to AltaLink's interrogatory, arguing that in its special circumstances the question "about how EWT LP relies on the financial resources of the listed entities is *irrelevant* to the Application." Nothing could be further from the truth. The extent to which the Applicant relies directly upon the financial resources of each of its parent companies is directly relevant to Board's assessment of the financial capabilities of the Applicant. If, for instance, the Applicant can only rely upon the full financial support and guarantee from BLP, but not from GLPT or HONI, the Board would have insufficient information on the record to grant the license because there is no information available on the record about the financial resources of BLP.

C. CONCLUSIONS

- 59. For all of the forgoing reasons, together with the reasons specified in the Notice of Motion and the Additional Submissions, AltaLink submits that the Board should require the Applicant to provide further and better responses to the disputed interrogatories.

³¹ Upper Canada's response to Board Staff Interrogatory #1 in EB-2011-0222.

³² ICCON's Response to Board Staff Interrogatory #3 in EB-2010-0403.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- (a) Appendix “A” – Other New Entrant IRRs Similar to AltaLink IR#1;
- (b) Appendix “B” – The May 31st Duty to Consult Letter; and
- (c) Appendix “C” – Other New Entrant IRRs Similar to AltaLink IR#5.

All of which is respectfully submitted this 7th day of February, 2012.

Original signed by John A.D. Vellone

John A.D. Vellone

TOR01: 4844781: v1

Appendix “A”

**Selected AltaLink Interrogatory Responses
in EB-2011-0126**

Response to Board Staff Interrogatory Questions to AltaLink Ontario, L.P. (“AltaLink Ontario”)

Board Staff Interrogatory #1 to AltaLink Ontario

REFERENCE

Application, Section 5. Technical Ability

QUESTION

AltaLink states that it intends to contract its affiliate SNC-Lavalin Inc. to design and construct the transmission facilities. Will the same technical resources be employed to address technical matters related to the operation and maintenance of the transmission facilities? If not, please describe AltaLink’s plans.

RESPONSE

AltaLink Ontario will operate and maintain new transmission network facilities that it builds and owns in Ontario using internal resources and via contractual arrangements with external service providers. In any case, the assets will be operated and maintained in accordance with good utility practice and in compliance with the Transmission System Code and all other regulatory requirements. AltaLink Ontario will have access to the transmission ownership, operation, and maintenance expertise of AltaLink Management Ltd. AltaLink owns, operates and maintains over 12,000 km of transmission facilities and 260 substations across Alberta at voltages between 500 kV and 25 kV. AltaLink has extensive experience in transmission asset ownership and asset management including engineering, system operations and field maintenance with a proven track record in meeting all regulatory and industry standards, whether these standards are specific to the provincial jurisdiction or applicable industry standards common across Canada, the US, or the industry as a whole. If requested, AltaLink Ontario can provide extensive information demonstrating the capabilities of AltaLink in the ownership, operation and maintenance of transmission facilities commensurate with the critical infrastructure service these facilities provide to ratepayers and customers.

Those resources providing operation and maintenance on transmission facilities in Ontario will be trained on Ontario specific codes and regulations related to transmission ownership, operation and maintenance. AltaLink resources have been and continue to be engaged in Canadian committees, standards development teams, numerous industry groups and with industry peers such as Hydro One, Hydro Quebec, BC Hydro to continue to enhance the ownership, operation and maintenance of transmission facilities. This engagement provides a foundational understanding of requirements, standards, practices and procedures associated with owning, operating and maintaining transmission facilities. Any unique Ontario specific requirements will be identified through a review process and necessary training plans developed to ensure compliance with Ontario specific regulations and codes. Additionally, AltaLink Ontario may bring new practices and procedures that will enhance the operation and maintenance of transmission facilities in Ontario.

HONI Interrogatory #3 to AltaLink Ontario

REFERENCE

AltaLink application, Section 5, Technical Ability AltaLink application, Section 6, Information About Each Key Individual

QUESTION

In Section 6, the application has identified key individuals that are currently engaged in electricity services.

- a) If a transmission licence is granted, will the key individuals listed in the application be located in Ontario, and if so, when? If not, who will be the key in-province contact(s)?
- b) Other than the key individuals listed, if a licence is granted, will AOLP have both staff and an office in Ontario?
- c) Will AOLP staff share office space with affiliates?
- d) Does AOLP plan to operate all network transmission facilities that it builds and owns in Ontario or will it outsource operations to a third party?
- e) If AOLP intends to operate and maintain transmission facilities in Ontario, what training plans does AOLP have to ensure its staff are trained in provincial transmission operating and maintenance practices and procedures?
- f) If no to part b), please describe how AOLP plans to operate and maintain transmission facilities.

RESPONSE

a), b), c) The three individuals identified in the application are directors of AltaLink Ontario and two of the three are currently located in Ontario. If AltaLink Ontario is successful in the designation process, the intention would be to expand its office in Ontario. Specific decisions regarding staffing, employee relocations, contracting, etc. will be made throughout the Board's designation process.

d), e), f) AltaLink Ontario will operate and maintain new transmission network facilities using internal resources and via contractual arrangements with external service providers. In any case, the assets will be operated and maintained in accordance with good utility practice and in compliance with all applicable regulatory requirements. For more information on AltaLink Ontario's operations and maintenance plans, please refer to our response to Board Staff IR#1.

HONI Interrogatory #4 to AltaLink

QUESTION

In Section 5a) the application says that;

“In addition to its close working relationship with AltaLink on high-voltage transmission projects in Alberta, SNC-Lavalin has also completed several assignments covering planning, design, construction and project management for high-voltage transmission facilities in Ontario.”

- a) Please provide three examples of high-voltage transmission projects that SNC-Lavalin has recently completed in Ontario. For each example, please include budgeted versus actual costs and time to complete with explanations for any major variances.
- b) Please provide a listing of any complaints received during the development and construction of these projects along with their resolution.
- c) Please indicate whether SNC-Lavalin was required to consult with any First-Nations/Métis groups as part of these projects, and if so, briefly describe the outcome of the consultation.

RESPONSE

The type of information being requested is competitive data that would typically be protected by confidentiality provisions. In any case, SNC-Lavalin is not a party to this proceeding and AltaLink is not in possession of the information requested.

AltaLink further takes the view that the information requested is not relevant for the reasons specified in its July 26, 2011 letter from counsel.

To provide additional context for the Board to decide on the issues raised by this interrogatory, SNC-Lavalin has provided a high level summary of some of the recent assignments of SNC-Lavalin in Ontario:

Completion	Client	Description	Type of Work
2011	Ontario Power Authority	Provision of estimates for a number of transmission and distribution routes in Northwestern Ontario	Estimates for EPC services

Filed by AltaLink Ontario L.P. on July 8, 2011
Updated response filed by AltaLink Ontario L.P. on July 26, 2011 ||
Transmission Licence Application
EB-2011-0126

Ongoing	Brookfield Renewable Power Inc.	Wind farm integration, including collector system, substations and 230 kV transmission line	Owner's engineer
Complete	Hydro One Networks	Bulk transmission program upgrade, including 115 kV, 230 kV and 500 kV transmission lines	Engineering and estimating support
Ongoing	Hydro One Networks	Circuit breaker replacements	Engineering
Ongoing	Goldcorp Inc.	Environmental assessment, 115 kV substation and transmission line Musslewhite Mine	Engineering Engineering and procurement support
2010	Powerstream	230/28 kV substation	Engineering, procurement support, construction supervision, commissioning
2002	Five Nations Energy Inc.	270 km 138 kV transmission line between three First Nations communities	Engineering, procurement, construction

**Selected TransCanada Interrogatory Responses
in EB-2010-0324**



In business to deliver

TransCanada PipeLines Limited

January 28, 2011

Ms Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
PO Box 2319, 26th Floor
Toronto, Ontario, M4P 1E4
Canada

tel (403) 920-6373
fax (403) 920-2354
email frank_karabetsos@transcanada.com
web www.transcanada.com

Dear Ms Walli:

Re: TransCanada Power Transmission (Ontario) LP Application for Electricity Transmission License – Applicant Responses to Interrogatories from Ontario Energy Board Staff, Great Lakes Power Transmission LP and Hydro One Networks Inc.

Please find enclosed TransCanada Power Transmission (Ontario) LP's responses to the interrogatories from Ontario Energy Board Staff, Great Lakes Power Transmission LP, and Hydro One Networks Inc. The responses have also been filed through RESS and sent to the Board Secretary and each of the intervenors by e-mail.

Yours truly,
TransCanada Power Transmission (Ontario) LP

Frank Karabetsos
Legal Counsel
Law and Regulatory Research

Cc: Brian Kelly - TransCanada

TRANSCANADA POWER TRANSMISSION L.P.**RESPONSES TO INTERROGATORIES FROM
HYDRO ONE NETWORKS INC.****GENERAL QUESTIONS****INTERROGATORY #1**

Ref: TPT application Section 9 Technical Ability (pages 24-25)

- (a) Please indicate whether TPT or its affiliates has any experience in developing, constructing and operating network (>115kV) transmission facilities, and if so provide details.
- (b) Specifically with respect to the development stage for new electrical transmission facilities, please elaborate on TPT's or its affiliates' experience with regulatory approvals, acquisition of rights of way (including landowner and First Nations & Métis consultation), and planning and design.

RESPONSE:

- (a) In the past ten years, TransCanada has expanded its lines of business beyond the development, construction and operation of natural gas pipelines. Specifically, TransCanada has successfully moved into the electricity generation business and the oil pipeline business. In both of these business lines, TransCanada has been involved in the development, construction and operation of many transmission connection lines, telecommunications systems and protection systems. A listing of these transmission facilities is found in the Table attached to the response to Information Request #1(c) from Great Lakes Power Transmission L.P. Further details about TransCanada's transmission facilities are set out below.

Generator Connection Lines

TransCanada owns approximately 10,800 MW of electricity generation facilities throughout North America. These generation facilities range in size from 27 MW to over 2,400 MW, and include hydro, wind, gas-fired and co-generation plants. TransCanada owns and operates numerous generator connection lines (underground and overhead), ranging in voltage from 69 kV to 345 kV. For several of these facilities TransCanada has developed and maintained, in conjunction with local transmitters and system operators, NERC-compliant interconnection and NERC-compliant operating processes.

Load Connection Lines

TransCanada's Keystone crude oil pipeline (from Alberta to Illinois) is currently in commercial operation, and a second crude oil pipeline (from Alberta to the Gulf Coast) is currently in the permitting process. The Keystone Pipeline uses large electric motors at

each of its 88 pumping stations. The electrical load at each pumping station ranges from 15 to 22 MW. Each of these loads is connected to local transmission systems ranging in voltage from 25 kV to 230 kV. These load connection lines are not owned by TransCanada; however, uninterrupted service is critical to the operation of the pipeline. Consequently, TransCanada engaged in a detailed review of the protection and voltage support capabilities at each location. In many cases, the size of the pumping station loads required TransCanada to work closely with the host transmitters to assess their bulk system capabilities, in order to reliably and cost-effectively serve the station loads..

Major Merchant Lines

TransCanada has been actively developing HVDC transmission projects in the western USA and Canada.

NorthernLights: The NorthernLights Project from Alberta to the Pacific Northwest was a 1600 km 500 kV line that connected the Alberta Electric System and the Bonneville Power Administration. NorthernLights progressed through the Western Electricity Coordinating Council Regional Planning and Path Rating Process and achieved a Phase 2 rating for delivery or removal of 2000 MW from the Pacific Northwest. This process involved assessing the impacts and coordinating the development of eight major transmission projects in the Pacific Northwest (including the NorthernLights Project) in order to ensure that NERC reliability standards would be met.

Zephyr: TransCanada's proposed Zephyr Project will be a 1,770 km, 500 kV power transmission line designed to carry wind energy from southeast Wyoming to load serving entities in the US southwest. The project is in the development stage and as currently contemplated, the Zephyr Project would be one of the longest transmission lines in the world. The Zephyr Project's commercial viability was confirmed through a fully-subscribed, non-discriminatory and binding open season for capacity on the transmission line. This open season, conducted in 2009, resulted in the full 3000 MW of capacity being subscribed entirely by wind developers operating in Wyoming.

Chinook: The Chinook Project is a proposed 500 kV, HVDC electric transmission line originating near Harlowton, Montana, traversing Idaho and terminating in the Eldorado Valley, south of Las Vegas, Nevada. The Chinook open season closed on December 16, 2010, and TransCanada is currently evaluating the results.

- (b) TransCanada has a long record of successfully developing major linear energy infrastructure, gas storage sites and power plants, all of which involve extensive regulatory approvals, project planning, design, and right-of-way management, including aboriginal relations

TransCanada owns approximately 60,000 km of pipelines in Canada and the US, and approximately 27,000 km of right-of-ways. In addition, TransCanada maintains

relationships with approximately 50,000 landowners in North America of which approximately 20,000 are in Canada, including 9,000 in Ontario.

In North America, TransCanada's facilities are in proximity to approximately 250 aboriginal and Native American communities. In Canada, TransCanada has 27 agreements with aboriginal communities, and 13 other agreements in development. In 1999, TransCanada developed an Aboriginal Relations Policy to better reflect its long-term commitment to its aboriginal stakeholders and to guide the development of mutually beneficial relationships. To this end, supporting employment and educational/capacity-building opportunities for aboriginal persons is a key TransCanada commitment.

With TransCanada's expansion into the electricity transmission business, TransCanada has relied on this experience in the development of the NorthernLights, Chinook and Zephyr Projects.

INTERROGATORY #2

Please indicate whether TPT or its affiliates has any experience creating a NERC-compliant network interconnection with other transmitters and if so, please explain the administrative arrangement and describe the physical connections.

RESPONSE:

Please see response to Information Request #1 (above) and the response to GLPTLP's Information Request #1(c).

INTERROGATORY #3

- (a) Please explain how TPT intends to operate and maintain new transmission network facilities that it may build in the province.**
- (b) Please indicate whether TPT or its affiliates has any experience operating and maintaining shared electrical stations.**

RESPONSE:

- (a) TPT will operate and maintain new transmission network facilities that it may build in Ontario using in-house resources or via contractual arrangements with external service providers. In either case, TPT will operate and maintain the network assets in accordance with good utility practice and in compliance with all regulatory requirements.**
- (b) Yes. TPT affiliates have experience operating and maintaining shared electrical stations in Canada and the US.**

WILDHORSE TRANSMISSION LINE

INTERROGATORY #4

Ref: TPT application Section 7 (page 13) and Section 9 (page 24)

Please indicate the age, length and voltage of the line.

RESPONSE:

The Wildhorse Transmission Line is approximately 13.5 years old. The TransCanada portion (Canadian side of the border) is 15 km in length and operates a voltage of 69 kV.

INTERROGATORY #5

- (a) Please provide the most recent 5-year operating history of the line including outage statistics and restoration time.
- (b) Please indicate who operates and maintains the line. If the work is outsourced, please provide information concerning the technical capabilities and experience of the service provider(s).
- (c) For the most recent 5 year period, please compare the budgeted and actual cost of operating and maintaining the line, and include variance explanations for material changes.
- (d) Please provide the repair history of the line since inception (major components only).

RESPONSE:

- (a) There were no unscheduled outages on the line in the past five years. There were approximately three days of scheduled outages in each of 2006 and 2007.
- (b) The operation and maintenance of the line is outsourced to a third party service provider based in western Canada. The contractor has over 30 years of experience in transmission line maintenance, and provides services to a wide range of transmission companies, including AltaLink (Alberta's largest transmission company).
- (c) The line is not a rate-regulated asset. A bilateral contract negotiated between TransCanada and the end-use customer details the terms and conditions of the service. Consequently, the budgeted and actual cost of operating and maintaining the line cannot be provided.
- (d) To date, no major repairs have been conducted since the line went into service in 1997. Climbing inspections are carried out on the line as part of regular inspections.

INTERROGATORY #6

Please compare the budgeted construction cost of the line and the actual construction cost of the line, and include variance explanations for material changes.

RESPONSE:

In the application to the National Energy Board to construct the line, the cost to construct the line was estimated at \$725,000. The line was completed on time and on budget.

INTERROGATORY #7

Please compare the original schedule for planning, approvals and construction of the line with the actual schedule, and include explanations for material changes.

RESPONSE:

The line was scheduled to be completed in the spring of 1997. It was placed into service in May 1997.

INTERROGATORY #8

Please provide a listing of any complaints received during construction of the line along with their resolution.

RESPONSE:

Two landowners came forward and indicated that they would be affected by the proposed transmission line. Their concerns were addressed, and the line was completed in accordance with the proposed schedule. One landowner's concerns were alleviated by relocation of poles.

INTERROGATORY #9

Please provide any monitoring reports or plans relating to the construction of the line that TransCanada was required to file with the NEB, and where follow-up action was required, provide the follow-up documents.

RESPONSE:

The NEB Certificate of Public Convenience and Necessity to construct the Wildhorse international power line (dated February 13, 1997) is attached. Paragraph 10 of the Certificate required TransCanada to file with the NEB a plan in respect of spans crossing Milk River Lake. Two items were filed with the NEB in respect of this matter, and both are attached (see March 19, 1997 letter and April 7, 1997 letter).

ational Energy Board



CANADA

Certificate EC-III-23

Office national de l'énergie

IN THE MATTER OF the *National Energy Board Act*
("the Act") and the regulations made thereunder; and

IN THE MATTER OF an application dated
24 September 1996, by TransCanada Power Corp
("TPC") pursuant to section 58.16 of the Act, for a
Certificate, filed with the Board under File: 2200-
T027-1

WHEREAS in the application TPC requested authorization to construct and operate an international power line extending across the international boundary near Wild Horse, Alberta and terminating in the Province of Alberta, within Legal Subdivision 16, Section 1, Township 2, Range 3, West of the 4th Meridian;

AND WHEREAS TPC, on 9 November 1996, published a notice of the application in the Canada Gazette;

AND WHEREAS the Board has examined the application in an oral public hearing held pursuant to Hearing Order EH-1-96, in the City of Calgary, Alberta on 9 and 10 December 1996;

AND WHEREAS pursuant to the *Canadian Environmental Assessment Act* ("CEAA") the Board has considered the information submitted by TPC and has performed an environmental screening for the construction and operation of the proposed international power line;

AND WHEREAS the Board has determined, pursuant to paragraph 20(1)(a) of the CEAA, that taking into account the implementation of TPC's proposed mitigative measures and those set out in the attached conditions, the proposal is not likely to cause significant adverse environmental effects;

AND WHEREAS the Board has determined that the applied-for international power line is and will be required by the present and future public convenience and necessity;

AND WHEREAS on 16 January 1997 TPC advised that effective 1 January 1997 it was amalgamated with affiliated corporations to become TransCanada Energy Ltd. ("TCE") under section 185 of the *Canada Business Corporations Act*;

AND WHEREAS the Governor in Council by Order in Council No. P.C. 1997- 220 dated the 13 day of February, 1997, has approved the issue of this certificate;

NOW THEREFORE pursuant to section 58.16 of the Act, the Board hereby issues this certificate in respect of the applied-for international power line.

This Certificate is subject to the following terms and conditions:

- 2 -

1. The international power line to be constructed and operated pursuant to this Certificate of Public Convenience and Necessity shall be owned and operated by TCE.
2. The new facilities to be constructed pursuant to this Certificate of Public Convenience and Necessity shall consist of a radial circuit constructed as a single wood pole overhead transmission line. The circuit will be operated at a nominal 69 000 volts (phase to phase) and 60 hertz. Phase conductors will be 4/0 - 6/1 ACSR (Penquin). One conductor per phase will be utilized. The transmission line will be constructed with a 3/8" high strength steel overhead static conductor for lightning diversion.
3. The new facilities to be constructed pursuant to this Certificate of Public Convenience and Necessity shall extend from the United States of America at the international boundary near Wild Horse, Alberta and terminate in the Province of Alberta, within Legal Subdivision 16, Section 1, Township 2, Range 3, West of the 4th Meridian, a total length of approximately 15 km.
4. The new facilities shall be constructed, operated and maintained to meet or exceed the requirements of Canadian Standards Association Standard C22.3 No.1-M87.
5. TCE is required to implement or cause to be implemented all of the policies, practices, recommendations and procedures included or referred to in its application, including the environmental reports and other materials filed as part of its application, its responses to information requests and the undertakings and statements made by it in this proceeding where they do not conflict with any of the following conditions.
6. TCE is required to use only native seed mixes in the revegetation of the power line right-of-way.
7. TCE shall contact Environment Canada in regard to wildlife, if power line construction is delayed past the 15th of April.
8. TCE shall complete all construction-related activities within 500 m of the known Burrowing Owl site prior to the 15th of April.
9. TCE shall complete all construction-related activities within 200 m of the Milk River Lake prior to the 15th of April.
10. TCE shall file a plan in respect of the spans crossing Milk River Lake, for Board approval, prior to the commencement of construction, showing the installation of:
 - (a) Spiral Vibration Dampeners as described in the evidence and,
 - (b) in addition to (a), marker spheres or Bird Flight Diverters on the wires along the centre of the spans, in order to minimize the potential for collisions by birds with the wires. This plan shall show the size, location and spacing of the marker spheres or Bird Flight Diverters.
11. TCE shall file, within six months after the first growing season, an environmental letter report detailing any environmental issues that have arisen and the measures TPC proposes to take, or has taken, in respect of the unresolved issues.

.../3

- 3 -

12. TCE shall not make any change in the international power line authorized by this Certificate of Public Convenience and Necessity without prior approval by the Board.
13. If the international power line is at any time in the future reconfigured to operate in the export mode, TCE shall obtain a copy of the NEB electricity export permit from each person seeking to use the line in order to facilitate an export of electricity from Canada, prior to transmitting the electricity over the international power line.
14. If the power line is reconfigured in the future to operate in the export mode TCE will submit, for approval by the Board, a plan providing for the installation of metering facilities to be located at or near the international boundary near Wild Horse, Alberta
15. TCE:
 - (a) shall give notice to the Board of its intention to commence operation of the international power line at least seven days prior to the commencement of operations, in order to permit the Board to inspect the condition of the line; and
 - (b) may commence operations at any time after the completion of an inspection of the international power line by the Board.
16. TCE shall comply with all of the conditions contained in this Certificate unless the Board otherwise directs.

Expiration of Certificate

17. If the international power line has not been placed in operation by 31 December 1998, this certificate shall expire on that date or upon such other date as may, upon application, be fixed by the Board.

Issued at Calgary, Alberta on the 14 day of February, 1997

NATIONAL ENERGY BOARD



M.L. Mantha
A/Secretary

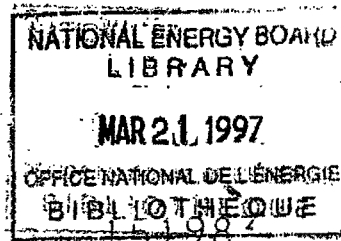
Approved by Order in Council
P.C. 1997-220 dated
13 February 1997

EC-III-23



TransCanada

March 19, 1997



TransCanada Energy Ltd.

1400 421 - 7th Avenue S.W.
Calgary Alberta, Canada T2P 4K9

Telephone: (403) 262-6800

Fax: (403) 262-0113

Direct Phone: (403) 267-1639

Fax: (403) 267-1055

Via Fax & Courier

NATIONAL ENERGY BOARD (the "Board")
Energy Plaza
311 - 6th Avenue S.W.
Calgary, Alberta
T2P 3H2



Attention: M. L. Mantha

Dear Sirs:

Re: TransCanada Energy Ltd. ("TCE")
EH-1-96 Wildhorse International Power Line
Certificate No. EC-III-23 dated February 14, 1997

Pursuant to the Board's Certificate EC-III-23 dated February 14, 1997 (the "Certificate"), and more particularly, Condition 10 contained therein, TransCanada Energy Ltd. ("TCE") encloses a plan in respect of the spans crossing Milk River Lake, for Board approval, which shows the installation of:

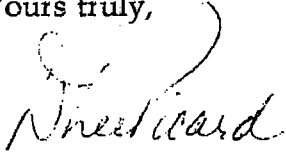
- (a) Spiral Vibration Dampeners as described in the evidence and,
- (b) Marker spheres or Bird Flight Diverters on the wires along the centre of the spans, in order to minimize the potential for collisions by birds with the wires.

This plan shows the size, location and spacing of the marker spheres or Bird Flight Diverters.

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Dec.'96
no. Supp. inf. #14

In addition, as soon as practicable following formal approval by the Board of the Plan, Profile and Book of Reference, and filing thereof with the Registrar of Land Titles, TCE plans to commence construction of the international power line. In compliance with Condition 15(a) of the Certificate, TCE shall provide seven days' advance notice of TCE's intention to commence line operations.

Yours truly,

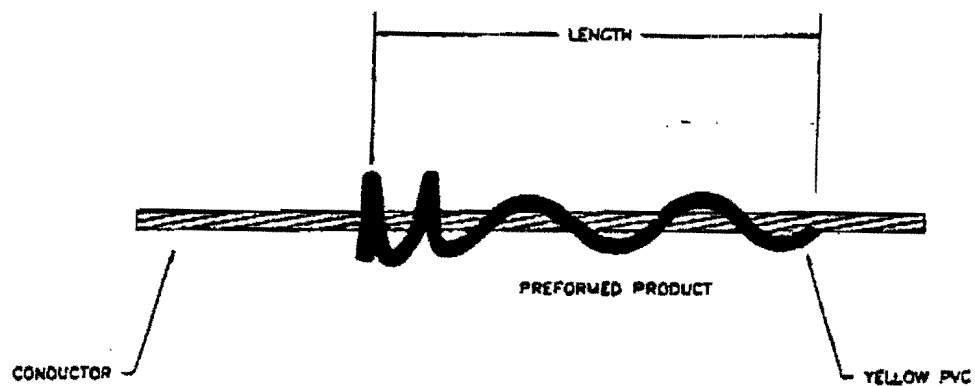


For: B. Kathryn Chisholm

BKC*dlp

Encls.

cc Rick Barteluk, TransCanada Energy Ltd.
Mike McDonald, Express Pipeline
Burl Miner, Hill County Electric

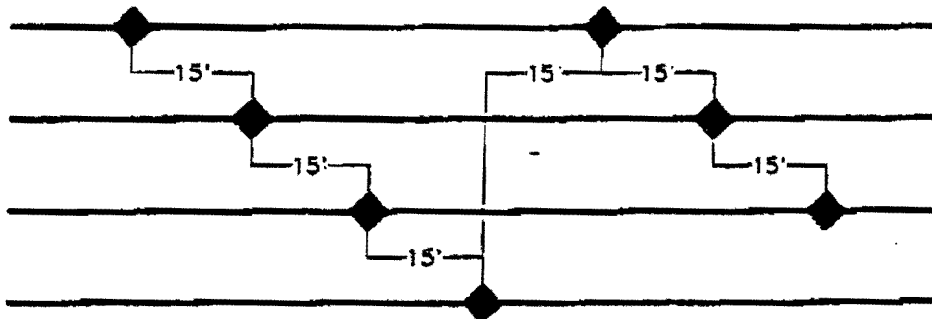


BIRD FLIGHT DIVERTER

TM-BFD

NOTE:
SIZE TO CABLE DIAMETER

APPLICATION OF DIVERTER ON 69 KV LINE

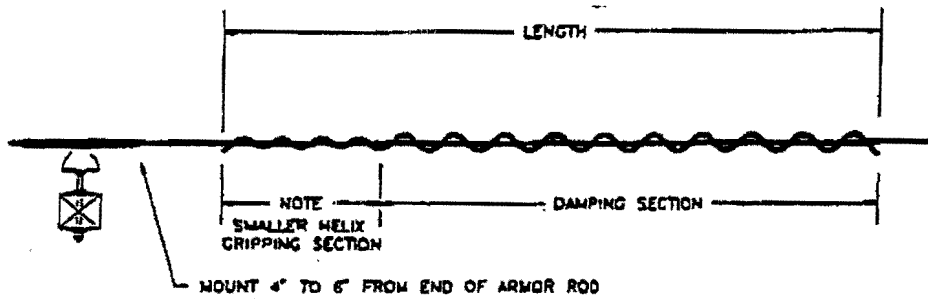


BIRD FLIGHT DIVERTER

MAGNA IV ENGINEERING LTD
CALGARY ALBERTA
Consulting Engineers

OCT. 1996

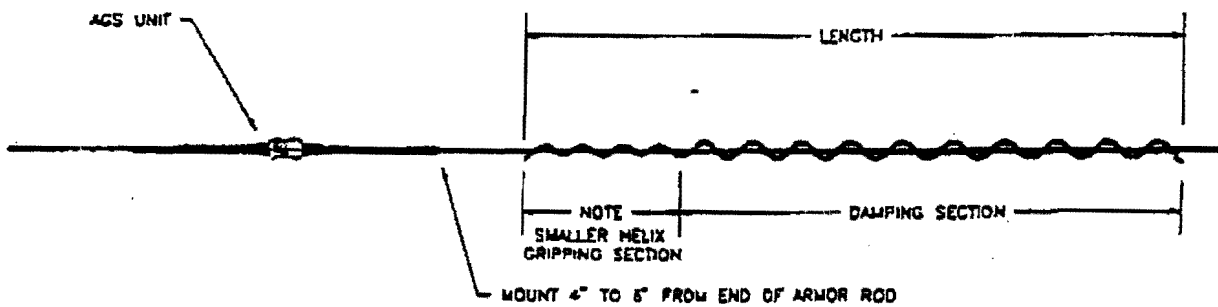
TM - BFD



SPIRAL VIBRATION DAMPER

NOTE:
SIZE TO CABLE DIAMETER.

TM5-3/STATIC & UNDERBUILD



SPIRAL VIBRATION DAMPER

NOTE:
SIZE TO CABLE DIAMETER.

TM5-3/TRANSMISSION

SPIRAL VIBRATION DAMPERS

MAGNA IV ENGINEERING LTD
CALGARY ALBERTA
Consulting Engineers

OCT. 1996

TM-SVD/TM5-3



TransCanada

SAL

APR 7 12 34 PM '97

NEB 013

TransCanada Energy Ltd.

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Calgary Alberta Canada T2P 4K9
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April 7, 1997

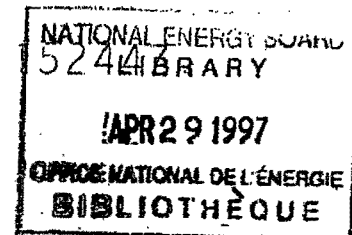
National Energy Board
311 - 6 Avenue S.W.
Calgary, Alberta
T2P 3H2

Copy By Fax
Original By Courier

Attention: Mr. M L. Mantha, A/Secretary

Dear Sirs:

Re: TransCanada Energy Ltd. ("TCE")
EH-1-96 Wildhorse International Power Line
Certificate No. EC-III-23 dated February 14, 1997
Board File No. 2200-T27-1



Further to the Board's letter of 3 April 1997, ICE has been advised that the particular Bird Flight Diverters ("BFDs") previously approved by the Board and stipulated in Condition 10 of Certificate EC-III-23 are not available in time to meet our April 15 deadline.

TCE respectfully requests that the Board approve the substitution of Cone type BFDs instead of the Spiral type for the overhead and phase conductors in the Milk River Lake area and amend Condition 10 accordingly.

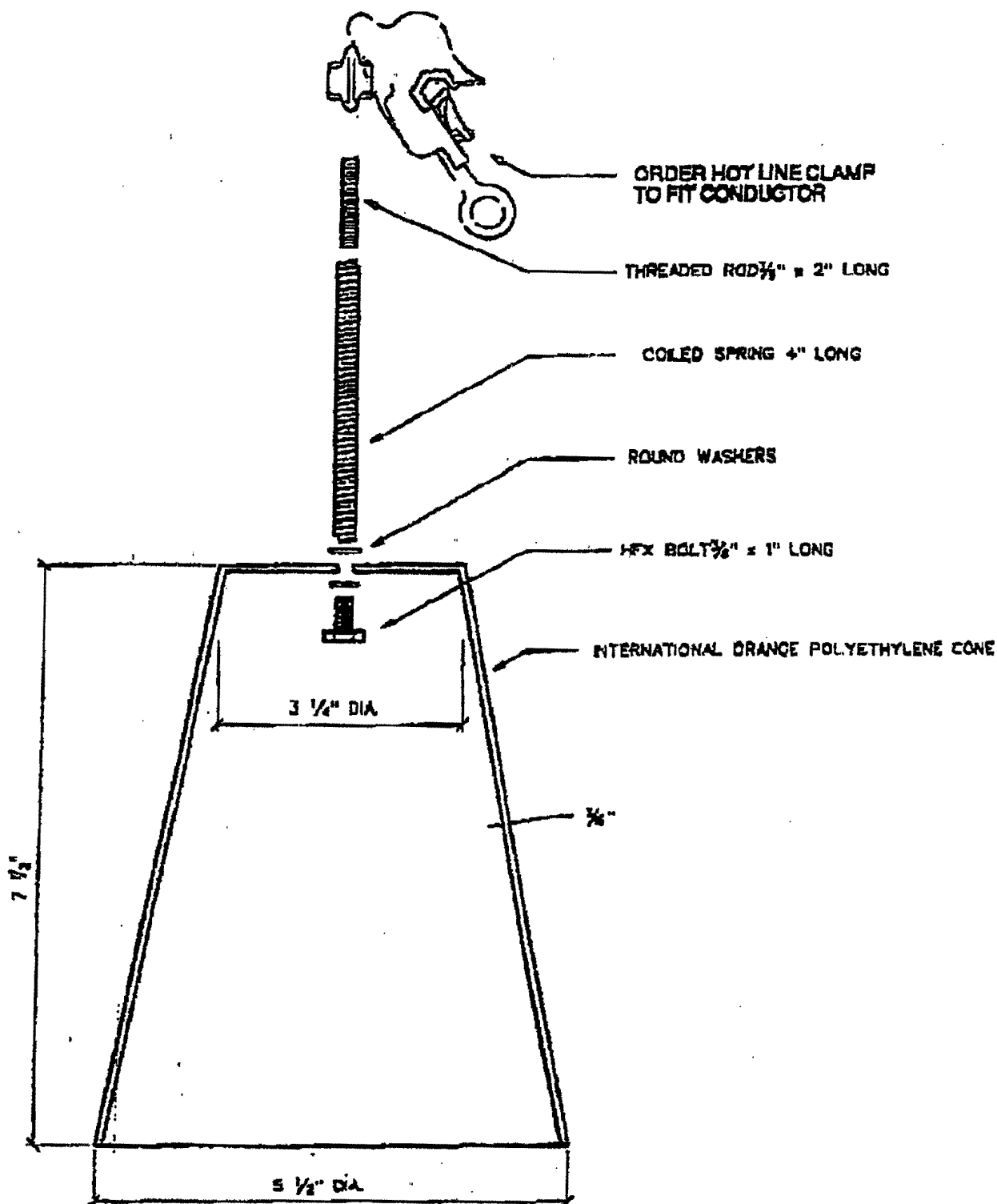
Please see the attached drawing. The installation configuration on the wires will be the same as for the Spiral BFDs.

Yours truly,

Richard W. Graw
Barrister & Solicitor

RWG/inc

K
9
C16
Dec. '96
no. Supp. inf. #15



LINE MARKER FOR MIGRATORY BIRDS

INTERROGATORY #10

Please indicate whether the line is connected to the AESO system.

RESPONSE:

The line is not connected to the AESO system.

ZEPHYR PROJECT

INTERROGATORY #11*

*Note: HONI incorrectly numbered this interrogatory as #13

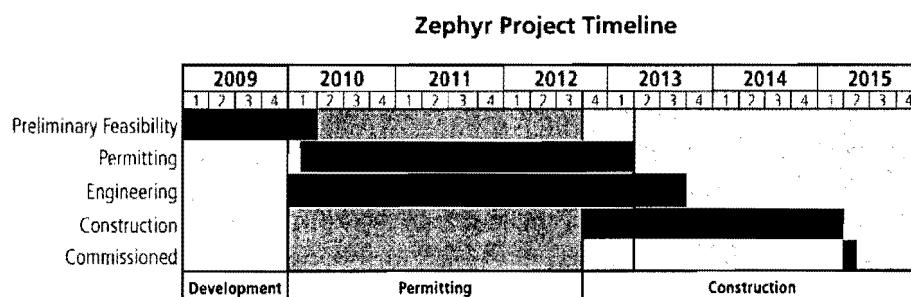
Ref: TPT application Section 7 (page 22) and Section 9 (page 24)

Please indicate the status of the Zephyr project and compare the original and current schedule for planning, approvals and construction, and provide explanations for material changes.

RESPONSE:

The Zephyr Project's commercial viability was confirmed through a fully-subscribed, non-discriminatory and binding open season for capacity on the transmission line. This open season, conducted in 2009, resulted in the full 3000 MW of capacity being subscribed entirely by wind developers operating in Wyoming. As noted in the response to Information Request #1(a) above, the Zephyr Project is in the development stage. As evidenced in the charts below, the Zephyr Project schedule has been delayed by a year due to an increased level of regulatory uncertainty faced during 2010 by Wyoming energy projects planning to sell their energy into the California power market. The uncertainties resulted from a number of concurrent policy initiatives that were being considered in California during 2010 which focused on whether renewable energy projects from outside California would be eligible resources under California's 20%-by-2010 Renewable Portfolio Standard (RPS) or its 33%-by-2020 Renewable Energy Standard (RES).

Zephyr project timeline, as of February, 2010:



Selected Upper Canada Interrogatory Responses in EB-2011-0222

UPPER CANADA TRANSMISSION INC.

Response to Hydro One Interrogatory 2

Reference: UCT application, Section 10, Information About Each Key Individual

The application has identified key individuals that are currently engaged in electricity services.

- a) If a transmission licence is granted, will the key individuals listed in the application be located in Ontario, and if so, when? If not, who will be the key in-province contact?
 - b) Other than the key individuals listed, if a licence is granted, will UCT have both staff and an office in Ontario?
 - c) If yes to part b), will UCT share office space, employees and information systems with affiliates and if so, how will it ensure compliance with ARC sections 2.2.2 and 2.2.3?
 - d) Does UCT plan to operate the network transmission facilities that it builds and owns in Ontario or will it outsource operations to a third party?
 - e) If UCT intends to operate and maintain transmission facilities in Ontario, what training plans does AOLP [*sic*] have to ensure its staff are trained in provincial transmission operating and maintenance practices and procedures?
-

Response:

- a) and b) Please see response to Great Lakes Power interrogatory 3b).
- c) Please see response to Hydro One interrogatory 1c).
- d) UCT's current intentions are to own and operate any network transmission facilities that it builds and owns in Ontario.
- e) Please see response to Great Lakes Power interrogatory 3 and Hydro One interrogatory 1c).

UPPER CANADA TRANSMISSION INC.

Response to Hydro One Interrogatory 3

Reference: UCT application, Section 9, Technical Ability

UCT Application, Schedule D, Project Summaries

- a) For the projects described in Schedule D, please provide budgeted versus actual costs and schedule, with explanations for any major variances.
 - b) Please provide a listing of any complaints received during the development and construction of these projects along with their resolution.
 - c) Please indicate whether there were any aboriginal interests that were required to be consulted or accommodated as part of these projects.
 - d) Please indicate whether UCT or its affiliates have constructed any transmission line projects in Canada. If so, please identify the projects and indicate whether there were any First Nations consultations required and briefly describe the outcome of the consultations.
-

Response:

- a) **Texas Clean Energy Express.** One of the challenges in Texas has been having enough transmission capacity to deliver renewable energy to where it is needed. To address this, NextEra built a 366 kilometer self-funded transmission line which connects over 700 MW of wind facilities to where electricity is needed.

As this project is a private generation tie line, the costs of the project are considered commercially sensitive. The final constructed cost of the project was 12.3% over the initial estimated cost. (This figure excludes land costs, for the reasons that follow.) The main driver for the increase over the original estimate was the increase in the length of the line by 16.2%. The routing on which the original estimate was based was changed in the process of negotiations with private property owners to secure the route for the line. As the line was a private venture, no expropriation or "eminent domain" rights existed, and the project had to be adjusted to address the commercial exigencies of these landowner negotiations. The final route was longer, and involved more turning structures

than initially estimated for. (Given the 16.2% increase in the length of the line, the increased number of turns in the line, and an increase in actual versus estimated cost of only 12.3%, on a unitized basis the project was built for 3.4% less cost than initially estimated.)

The project was completed on schedule, to match the commercial operation date of the connected generation facilities.

Lone Star Transmission. This project is in progress, and is currently on time and on budget.

Blythe Energy Project. This project is a private generation tie line, and specific cost information is considered to be commercially sensitive. The project was completed approximately 7 weeks ahead of schedule and at 17% below the estimated project cost. The main drivers for these positive variances were strict cost controls and NextEra's approach to working with qualified contractors.

b) **Texas Clean Energy Express.** Following is a summary of complaints received during construction of this project and their resolution. Out of the hundreds of landowners who provided easements or are adjacent to the line:

- i) A few easement grantors have asserted claims that the land agents with whom they negotiated the easements improperly induced them to convey the easements. The project owner disputes the allegations and is seeking appropriate declaratory relief from the courts.
- ii) Some complaints from owners of adjoining lands were received alleging that: a) electromagnetic fields (EMFs) associated with the project constituted actionable trespass to their properties; and b) the electrical grounding of a partition fence along the acquired right of ways resulted in actionable trespass to their properties. The project owner has responded to these claims, denying any legal or factual basis for the claims. Since responding no further communications have been received.
- iii) Certain parties have demanded compensation related to the loss of livestock and costs associated with moving livestock during construction of the transmission line. The project owner has denied liability.
- iv) Certain parties have demanded compensation for alleged damage to property during construction. The project owner completed restoration work on the affected properties and no further communications from the parties have since been received.
- v) One party asserted a claim for payment for the use of her property during construction of the line. The project owner determined that the party's land

was not used during construction, and terminated the option for easement earlier obtained from the party without having exercised it.

- vi) One party asserted a claim that the transmission line was constructed outside of the recorded easement related to his property. The project owner obtained a land survey indicating that the line was constructed within the easement, and provided a copy of the survey to the complainant. No further communications from the complainant have been received.
- vii) Various claims were asserted related to; a) compensation for alleged failure to replace/close gates after use by construction vehicles; and b) alleged failure to maintain and repair roads over eased land. All such claims have been settled.
- viii) One party claimed title by adverse possession to certain property affected by construction of the transmission line. The claim was settled by the parties entering into a transmission easement agreement.

Lone Star Transmission. Two legal actions have been filed in the Texas district court for Travis County challenging and seeking to enjoin the PUCT from implementing the order granting Lone Star a Certificate of Convenience and Necessity (CCN) to construct the project. The first challenge is a direct appeal of the Lone Star CCN order alleging notice and due process violations. The second challenge is an independent action filed by a corporation in the vicinity of Cisco, Texas and the City of Cisco itself due to alleged interference of the to-be-constructed Lone Star transmission line with a proposed private air strip and alleged failure to properly notice the Cisco municipal airport and purported Federal Aviation Administration (FAA) violations that would result from construction of Lone Star's facilities. Lone Star is not a defendant in either action, but has intervened in support of the State, which is defending the validity of its order. Court decisions in these actions are expected in late 2011.

In addition, Lone Star is working with landowners to resolve any issues related to the 900+ parcels, involving 700+ individual landowners, that are needed to construct the project. The only formal complaint is a civil court action filed by one landowner alleging that Lone Star damaged his fence and caused cattle to escape. The judge denied the claim. Another landowner filed an informal letter with the PUCT complaining that, contrary to his expectations, the line is not located on his property.

Blythe Energy Project. One formal inquiry regarding the project was submitted to the California Energy Commission by an easement grantor requesting before and after photographs where the line crossed the inquirer's property. The photographs were provided.

An issue was raised by an easement grantor regarding relocation of a pole on the easement during construction relative to the originally documented location. The issue has been resolved with the landowner.

An issue was raised regarding the location of two poles placed on land that the local Bureau of Land Management claimed ownership of. It was determined that a private party owned the property and the appropriate easement was entered into with this party.

- c) **Texas Clean Energy Express.** There were no aboriginal interests that were required to be consulted for this project.

Lone Star Transmission. To date, there are no aboriginal interests that are required to be consulted for this project.

Blythe Energy Project. Blythe Energy, through their contractor Tetra Tech, contacted the Native American Heritage Commission (NAHC) early in the permitting process. The NAHC provided information regarding the project area and a list of Tribes and/or individuals with cultural ties to the region who may have additional information regarding sensitive resources in the project area, or who may be interested in the project.

Blythe Energy, through Tetra Tech, contacted the tribes and/or individuals listed by the NAHC with a letter and follow up phone calls requesting information and/or concerns regarding the project area. No concerns were raised. In addition, Tetra Tech assisted the lead Federal agency (for National Environmental Policy Act of 1969 (NEPA) and National Historic Preservation Act Section 106 consultation) with their government to government Native American consultation by providing consultation letters for distribution and information on cultural resources within the project area, and by coordinating meetings and field visits.

The original alignment of the Blythe Energy Transmission Line Project ran within and near "Alligator Rock District" (an Area of Critical Environmental Concern under the Federal Land Policy and Management Act of 1976) and The North Chuckwalla Mountain's Petroglyph District (a National Register listed historic resource). A series of meetings and field reviews, coordinated by Blythe Energy and Tetra Tech, brought together the responsible federal and state agencies, local Native American community, and project engineers to address concerns regarding these resources and the project. Comments received at the field reviews were responded to by a cost-effective realignment that avoided sensitive resources and a mitigation measure that was feasible and implemented during purchase of materials. Poles and spur roads were realigned beyond the boundary of the district and a Surface Treatment Plan was developed and implemented which provided for a standard color to be blended into the concrete

during the production of the poles in this area, changing their color and reducing their visibility. In addition, and under a California State requirement, Blythe Energy employed Native American monitors throughout construction of the transmission line, which was completed without incident.

- d) UCT has not built any transmission lines in Canada. NextEra companies' transmission facilities in Canada have to date been limited to short generation tie lines and ancillary switching and transformation substations associated with its generation projects. None of these minor projects required First Nations consultations.

Appendix “B”

Ministry of Energy

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Toronto ON M7A 2C1

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Ministère de l'Énergie

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Téléc.: (416) 325-7023



Transmission and Distribution Policy Branch

May 31, 2011

Michael Lyle
General Counsel and Vice President
Legal, Aboriginal and Regulatory Affairs
Ontario Power Authority
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Dear Mr. Lyle:

Re: East-West Tie

Further to our discussions on the above-referenced project, this letter is to confirm the Crown and Ontario Power Authority (OPA) roles in any duty to consult on the proposed East-West tie project during the period prior to any Ontario Energy Board (Board) transmitter designation.

The Crown has decided to delegate certain procedural aspects of consultation to the OPA since the OPA is establishing the rationale, scope and timing of the East-West tie project and will be submitting a report on the project to the Board by the end of June. We understand that the OPA is already conducting a consultation process on the Integrated Power System Plan (IPSP) which will include all of the Aboriginal communities that may be affected by the East-West tie project. If timing requirements associated with the preparation of the report permit the coordination of discussions on the East-West tie project with IPSP consultations, this approach may facilitate rational use of Crown and Aboriginal community resources.

Crown Role

A list of communities (List) to consult on the East-West tie project has been provided to the OPA previously and is attached. Should the OPA determine that discussions on the East-West tie project can be coordinated with its consultations on the IPSP, the Crown will send letters to the relevant communities indicating that the OPA process for carrying out any duty to consult on the IPSP will include the process through which the Crown consults on the East-West tie project prior to any Board transmitter designation decision.

.../cont'd

Ministry officials, as appropriate and required, will accompany OPA staff in meetings on the East-West Tie project.

OPA Role

In meetings with communities on the List, we understand that the OPA will ensure the agenda provides for discussion of the Project and any Board transmitter designation process.

Community representatives should be offered the opportunity to provide input on the Project and the Board's possible designation of a transmitter. Community representatives should also be advised on how to obtain more information from the Board on the transmitter designation process and how they can participate in it.

The OPA will include a record of these discussions in its report on the preliminary assessment of need for the Project, which the Board has requested be submitted no later than June 30th, 2011.

I trust that this reflects our discussions regarding the respective roles of the Ministry and the OPA in addressing any duty to consult on the East-West tie project.

Sincerely



Jon Norman
Director

- c. MaryAnn Aldred, General Counsel, Ontario Energy Board
Peter Landmann, Counsel, Ministry of Energy
Kaili Sermat-Harding, Director, Strategic Policy Branch, Ministry of Energy

Attachment: FIRST NATION AND MÉTIS COMMUNITY CONSULTATION LIST
East-West Tie Transmission Project, 2011

First Nation	Address
1. Animbiigoo Zaagi'igan Anishinaabek First Nation (Lake Nipigon Ojibway)	PO Box 120 Beardmore, ON P0T 1G0
2. Biinjitiwaabik Zaaging Anishinaabek First Nation (Rocky Bay)	501 Spirit Bay Road MacDiarmid, ON P0T 2B0
3. Bingwi Neyaashi Anishinaabek (Sand Point First Nation)	146 Court Street South Thunder Bay, ON P7B 2X6
4. Fort William First Nation	90 Anemki Drive, Suite 200 Thunder Bay, ON P7J 1L3
5. Ginoogaming First Nation	PO Box 89 Longlac, ON P0T 2A0
6. Long Lake No. 58 First Nation	PO Box 609 Longlac, ON P0T 2A0
7. Michipicoten First Nation	RR 1, PO Box 1, Site 8 Wawa, ON P0S 1K0
8. Missanabie Cree First Nation	174B Highway 17 East, Bell's Point Garden River, ON P6A 6Z1
9. Ojibways of Batchewana	236 Frontenac Street Sault Ste Marie, ON P6A 5K9
10. Ojibways of Garden River	RR4, 7 Shingwauk Street Garden River, ON P6A 6Z8
11. Ojibways of Pic River (Heron Bay First Nation)	PO Box 193 Heron Bay, ON P0T 1R0
12. Pays Plat First Nation	10 Central Place Pays Plat, ON P0T 3C0
13. Pic Moberl First Nation	PO Box 717 Moberl, ON P0M 2J0
14. Red Rock Indian Band	PO Box 1030 Nipigon, ON P0T 2J0

Métis Organization	Address
1. Greenstone Métis Council	PO Box 825, 205 Clarke Avenue Geraldton, ON P0T 1M0
2. Red Sky Independent Métis Nation	406 East Victoria Avenue Thunder Bay, ON P7C 1A5
3. Superior North Shore Métis Council	26 Princess Street Terrace Bay, ON P0T 2W0
4. Thunder Bay Métis Council	226 May Street South Thunder Bay, ON P7E 1B4

Appendix “C”

**Selected AltaLink Interrogatory Responses
in EB-2011-0126**

Board Staff Interrogatory #2 to AltaLink Ontario

REFERENCE

Application, Section 7. Financial Information

QUESTION

- (a) In its decision granting a transmission licence to Chatham-Kent Transmission Inc. (EB-2010-0351), the Board indicated that in a licensing application, it would “review to some degree the applicant’s financial status [and] its potential for access to further financial resources”. Please describe AltaLink’s plans for financing any Ontario transmission facilities it may construct, including its potential for access to any necessary further financial resources.
- (b) AltaLink has provided the financial statements of AltaLink Investments, L.P. in support of its financial position, as AltaLink is a newly created entity for which financial statements have not yet been prepared. In these circumstances, the Board may require a parental guarantee. Please confirm that AltaLink Investments, L.P. has reviewed the Board’s standard parental guarantee form and that AltaLink Investments, L.P. is prepared to sign the guarantee, should the Board consider such assurance necessary.

RESPONSE

a) As AltaLink Ontario is a newly formed entity, any required debt and/or equity financing would be provided from either the direct parent (AltaLink Investments, L.P. or “AILP”) or AltaLink Ontario’s ultimate owner, SNC-Lavalin Group Inc. or “SNC”. SNC is a leading international engineering and construction company, a leader in Operations and Maintenance activities in Canada, and is also recognized for its select investments in infrastructure concessions. SNC is located in over 35 countries with 24,000 employees working on over 10,000 projects in some 100 countries. At March 31, 2011 SNC had over \$7.7B in assets which includes cash and cash equivalents of \$1.2B.

Equity and debt financing could also be provided by AltaLink Ontario’s direct owner, AILP. AILP has access to the Canadian debt capital markets as evidenced by the issuance of \$150M 7 year 5.207% Senior Bonds in December 2009 and \$200M 7 year 5.019% Senior Bonds in November 2005. Additional funds could also be sourced from AILP’s \$150M credit facility of which \$122M was undrawn at March 31, 2011. Also, in October 2012 AILP will receive \$85M from a maturing investment.

b) AILP has reviewed the Board’s standard parental guarantee form and is prepared to provide a parental guarantee providing financial assurance for the Board’s costs under the transmission licence should the Board consider such assurance necessary.

Selected Upper Canada Interrogatory Responses in EB-2011-0222

UPPER CANADA TRANSMISSION INC.

Response to Board Staff Interrogatory 1

Reference: Application Section 7. Financial Information

a) In its decision granting a transmission licence to Chatham-Kent Transmission Inc. (EB-2010-0351), the Board indicated that in a licencing application, it would “review to some degree the applicant’s financial status [and] its potential for access to further financial resources”. Please describe Upper Canada’s plans for financing any Ontario transmission facilities it may construct, including its potential for access to any necessary further financial resources.

b) Upper Canada has provided the financial statements of NextEra Energy, Inc. in support of its financial position, as Upper Canada is a newly created entity for which financial statements have not yet been prepared. In these circumstances, the Board may require a parental guarantee. Please confirm that NextEra Energy Inc. has reviewed the Board’s standard parental guarantee form (attached) and that NextEra Energy Inc. is prepared to sign the guarantee, should the Board consider such assurance necessary.

Response:

a) At section 17. of its Application (page 14 of 17) UCT has provided the following information addressing its access to financial resources:

NextEra is continuously motivated by economics and efficiency. For example, NextEra’s standard approach to project financing is to utilize internally generated funds during the construction period and then obtain limited or non-recourse financing at or after the project’s commercial operation date. NextEra Energy Capital Holdings (NECH), a wholly-owned subsidiary of NextEra, provides funding for NextEra’s operating subsidiaries (other than Florida Power & Light Company, its rate-regulated public utility). NECH is rated Baa1 (Stable) and A-(Stable) by Moody’s and S&P, respectively. NECH has a very strong track record of accessing the capital markets on a limited or non-recourse financing basis (i.e. project financing). Through the diligent efforts of our experienced financing team and established relationships with several domestic and international financial

institutions, NECH's recent project financings have accumulated more than \$7 billion in limited- and non-recourse financing through 22 financings over the past 10 years.

As a member of the NextEra group, UCT would have ready access to internal financing as described above as well as corporate support from the NextEra group as a whole for external financing requirements.

- b) UCT acknowledges that at the point in time when UCT, as developer of a specific transmission project in Ontario, assumes obligations with potential financial or operational impact on Ontario's electricity system and ratepayers, the Board would wish to ensure the availability of financial resources to support the execution of those obligations. UCT has inquired of NextEra and is confident that it would be able to provide appropriate corporate guarantees substantially in the form attached to Board Staff's interrogatory.

**Selected ICCON Interrogatory Responses
in EB-2010-0403**

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B);

AND IN THE MATTER OF an application under section 60 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B for an electricity transmission licence.

ICCON TRANSMISSION INC. ("ICCON")

RESPONSES TO INTERROGATORIES

March 22, 2011

BOARD STAFF INTERROGATORY 3

QUESTION

Icon has provided the financial statements of Isolux Corsan Concesiones, S.A.U. in support of its financial capability as Icon is a newly formed entity for which financial statements have not yet been prepared. In these circumstances, the Board may require a parental guarantee. Please confirm that Icon has reviewed the Board's standard parental guarantee form and would be prepared to have Isolux Corsan Concesiones, S.A.U. provide financial assurance for the Board's costs under the electricity transmission licence should the Board consider such assurance necessary.

RESPONSE

Icon has reviewed the Board's standard parental guarantee form for electricity transmitters. If the Board requires, Isolux Corsan Concesiones, S.A.U. would be prepared to provide a parental guarantee, explicitly limited as Board staff indicates to, providing financial assurance of the Board's costs under the transmission licence. It is Icon's position that if the Board were to require a parental guarantee, it would not be required after Icon has commenced viable commercial operations in Ontario as a transmission owner and operator.