



**EB-2012-0032**

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

**AND IN THE MATTER OF** section 4.1.2 of the Ontario  
Energy Board's Transmission System Code;

**AND IN THE MATTER OF** an application by Detour Gold  
Corporation for an Order or Orders granting approval to  
amend a connection agreement.

**Before:** Paul Sommerville  
Presiding Member

Marika Hare  
Member

## **DECISION AND ORDER**

**April 5, 2012**

### **The Application**

Detour Gold Corporation ("Detour") filed an application (the "Application") on February 3, 2012 with the Ontario Energy Board (the "Board"), requesting approval of the Board to amend its connection agreement with Hydro One Networks Inc. ("Hydro One") pertaining to the isolation of Detour's facilities from Hydro One's transmission system. Detour also requested that the Board only require that notice of the Application be given to Hydro One, and that the Board dispose of the Application without a hearing under section 21(4) of the *Ontario Energy Board Act, 1998* (the "Act"). The Board assigned file number EB-2012-0032 to the Application.

The Application pertains to transmission facilities that will connect the Detour Lake Mine, located approximately 180 km northeast of the town of Cochrane, to Hydro One's transmission system at the Pinard transformer station (the "Pinard TS") by means of a dedicated feeder. Detour has obtained leave of the Board to construct the transmission facilities.<sup>1</sup> Since that time, construction of "Phase I" of the project (a 142 km transmission line operated temporarily at 115 kV to allow for the initial development and construction of the Detour Lake Mine) has been completed. Construction of "Phase II" of the project (40 km extension of the Phase I line) is in progress, with energization of the facilities to operate the line at 230kV scheduled for mid-July, 2012.<sup>2</sup> Detour Lake Mine has a scheduled in-service date of fall 2012.

Detour currently has a connection agreement with Hydro One with respect to the connection of the Detour Lake Mine, and is seeking the approval of the Board to amend that agreement in such a manner as to eliminate the requirement for Detour to provide an isolating disconnect switch at the point of interconnection. This requirement is mandated by section 1.2 of Schedule E of the standard-form connection agreement set out in Appendix 1 to the Board's Transmission System Code (the "TSC") as follows:

## **1.2 Isolation from the Transmission System**

1.2.1 The Customer shall provide an isolating disconnect switch or device at the point or junction between the Transmitter and the Customer, i.e., at the point of the interconnection, which physically and visually opens the main current-carrying path and isolates the Customer's facility from the transmission system.

1.2.2 The isolating disconnect switch shall meet the following criteria:

- 1.2.2.1 it shall simultaneously open all phases (i.e., group-operated open/close) to the connection;
- 1.2.2.2 it shall be lockable in the open and closed positions;
- 1.2.2.3 when the device is used as part of the HVI failure protection system, it shall be motor-operated and equipped with appropriate control circuitry; and

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<sup>1</sup>Leave to construct in respect of "Phase I" of the project was granted on November 24, 2010 (EB-2010-0243) and leave to construct in respect of "Phase II" of the project was granted on August 12, 2011 (EB-2011-0115).

<sup>2</sup> *Ibid.*; Application, Exhibit A, Tab 3, Schedule 1, page 5; and Application, Exhibit B, Tab 1, Schedule 4.

1.2.2.4 it shall be suitable for safe operation under the conditions of use.

Detour is proposing that section 1.2.2 of Schedule E be deleted, and that section 1.2.1 of Schedule E be replaced with the following:

1.2.1 The Customer shall provide, at the connection point, a mid-span opener (MSO), which physically and visually opens the main current-carrying path and isolates the Customer's facilities from the transmission system.

In the Application, Detour states that the installation of an isolating disconnect switch as required by the standard-form connection agreement set out in Appendix 1 of the TSC: (i) would be fully redundant of the existing Hydro One disconnect switch at the Pinard TS; (ii) has the potential to make the working space in the Pinard TS congested; (iii) if inserted serially, would result in a negative impact on service reliability to the Detour Lake Mine and to the reliability of the transmission system; (iv) would result in a less efficient expansion of the transmission system; and (v) is unnecessary from an operational or safety point of view and adds significant unnecessary cost, likely in the order of \$200,000. Detour further states that the mid-span opener ("MSO") that it is proposing to install in lieu of the isolating disconnect switch required by the TSC would serve as a demarcation point, and that the switch inside the Pinard TS would be used for isolation of Detour's transmission line and facilities from the Hydro One transmission system.

In support of its request that the Board dispose of the Application without a hearing, Detour states that: (i) the physical layout and nature of the connection is unique such that its Application should not be of interest to other load customers; and (ii) the proposed amendment will not adversely affect any other party in a material way.

On March 26, 2012, Detour filed with the Board letters received from each of Hydro One and the Independent Electricity System Operator (the "IESO") in which each entity confirms that it considers Detour's proposal to be acceptable.

In its letter, the IESO notes the following: (i) the proposed installation of the MSO in place of an isolating disconnect switch at the point of connection will not result in a material adverse impact on the reliability of the integrated power system; and (ii) the IESO does not need the additional disconnect switch to enhance the reliability of the IESO-controlled grid as the disconnect switches installed at the Pinard TS will provide

the same functionality. In its letter, Hydro One notes the following: (i) the intended function of the isolating disconnect switch required by the TSC is already performed by the nearby line disconnect switch located inside the Pinard TS; (ii) relieving Detour of its obligation to provide an isolating disconnect switch at the point of interconnection would have no adverse impact on system reliability, operations or safety; and (iii) to maintain a clear physical demarcation point between Detour's facilities and Hydro One's facilities, Hydro One would require Detour to install, prior to connection, an MSO at the point of interconnection. Hydro One also confirmed that, if the Board approves Detour's application, Hydro One intends to amend its existing connection agreement with Detour accordingly.

### **Board Findings**

Section 4.1.1 of the TSC requires each customer that connects to a transmission system to enter into a connection agreement with the transmitter, and further requires that the connection agreement be in the form set out in Appendix 1 to the TSC. Under section 4.1.2 of the TSC, amendments to a connection agreement can only be made as expressly allowed by the standard-form connection agreement, which is not the case here, or with the prior approval of the Board. Under section 70.1(3) of the Act, the Board may make a determination or grant an approval under a code with or without a hearing, and section 3.0.13 of the TSC is to the same effect.

The Board considers it appropriate to dispose of Detour's application without a hearing.

The Board understands that the MSO is not a device that meets the requirements of section 1.2.2 of Schedule E of the standard-form connection agreement appended to the TSC in terms of functionality. However, based on the Application and the evidence in this case, and in particular the letters from the IESO and Hydro One, the Board is satisfied that the granting of the relief requested by Detour will not have an adverse effect on the safety or reliability of Hydro One's transmission system or the IESO-controlled grid. The Board also expects that, with the installation of the MSO at the point of interconnection between Detour's facilities and those of Hydro One, the demarcation point will be the same as would be the case with an isolating disconnect switch. As such, the Board further expects that the granting of the relief requested by Detour will not affect the respective responsibilities or liabilities of either Detour or Hydro One under the connection agreement or the TSC.

The Board therefore grants the Application.

**IT IS THEREFORE ORDERED THAT:**

1. Approval is given to Detour Gold Corporation and Hydro One Networks Inc. to amend their connection agreement by replacing section 1.2.1 of Schedule E with the following, and by deleting section 1.2.2:

1.2.1 The Customer shall provide, at the point of interconnection between the Transmitter and the Customer, a mid-span opener which physically and visually opens the main current-carrying path and isolates the Customer's facility from the transmission system.

**DATED** at Toronto, April 5, 2012

**ONTARIO ENERGY BOARD**

*Original Signed By*

Kirsten Walli  
Board Secretary