



Suite 3000
79 Wellington St. W.
Box 270, TD Centre
Toronto, Ontario
M5K 1N2 Canada
Tel 416.865.0040
Fax 416.865.7380

www.torys.com

April 5, 2012

COURIER, RESS, EMAIL

Ontario Energy Board
27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

Attention: Ms. K. Walli, Board Secretary

Dear Ms. Walli:

**Re: EB-2011-0350 - Supplementary Interrogatory Responses in EWT LP's
Application for an Electricity Transmission Licence**

We are counsel to EWT LP. Further to the Board's Decision on Motions and Procedural Order No. 3 dated March 23, 2012, attached hereto at Appendix A are supplementary response to Upper Canada Transmission, Inc.'s interrogatory #4(a) and AltaLink Ontario L.P.'s interrogatories #1(c), (e) and (l), except for the compensation components, and interrogatory #5.

Yours truly,

A handwritten signature in black ink, appearing to read "Tyson Dyck", written in a cursive style.

Tyson Dyck

Tel 416.865.8136
tdyck@torys.com

Enclosures

TD

cc: A. McPhee, GLPT-EWT LP
P. Pelletier, BLP
M. Penstone, Hydro One
M. Zajdeman, GLPT-EWT LP

APPENDIX A
SUPPLEMENTARY INTERROGATORY RESPONSES

EWT LP
Supplementary Interrogatory Responses
Electricity Transmission Licence Application
EB-2011-0350

Supplementary Responses to AltaLink Ontario L.P.'s Interrogatories

Interrogatory 1 – Technical Capabilities and Experience

Reference:

Cover Letter, pg. 2, Section 3 titled “Technical and Financial Expertise, Experience and Resources”

Application, Part 6, Technical Capabilities and Experience

Preamble:

Since the Applicant has multiple limited partners and affiliates, the following series of questions is intended to clarify what areas of capability, expertise and experience the Applicants relying upon each of its limited partners for. We understand that Bamkushwada LP (“BLP”) does not have any specific experience or expertise with transmission facilities, instead they do represent six First Nations groups whose traditional territories are situated along the East-West Tie Line project corridor.

Questions:

- (c) To what extent is the Applicant relying upon Hydro One’s transmission operating experience? Will the Applicant be drawing upon Hydro One’s employees or resources in this regard? How will the Applicant compensate Hydro One for use of these resources?
- (e) To what extent is the Applicant relying upon GLPT’s transmission planning experience? Please describe this experience (if any). Will the Applicant be drawing upon GLPT’s employees or resources in this regard? How will the Applicant compensate GLPT for use of these resources?
- (l) To what extent is the Applicant relying upon BLP’s transmission maintenance experience? Please describe this experience (if any). Will the Applicant be drawing upon BLP’s employees or resources in this regard? How will the Applicant compensate BLP for use of these resources?

Initial Responses:

In response to Interrogatories 1 (a) to (l), as set out in the Applicant’s licence application (EB-2011-0350) (the “**Application**”), the combined expertise, experience and resources of the Applicant through its partners and possibly their respective affiliates provides the Applicant with a very high level of technical capability, expertise and experience with respect to the activities that are associated with the Application, including transmission development, stakeholder, First Nations and Métis consultations, project development, project management, as well as the construction, ownership, operation and maintenance of electricity transmission facilities.

More specifically,

- the Applicant intends to contract with Great Lakes Power Transmission LP or a related entity for the development and management of any future new EWT LP transmission facilities – the Applicant may engage specialist third parties to undertake design work;
- the Applicant intends to contract with a specialist construction contractor for the construction of any new EWT LP transmission facilities;
- the Applicant intends to contract with Hydro One Networks Inc, the largest licensed electricity transmitter in Ontario, to undertake systems operations for any new EWT LP transmission facilities; and
- the Applicant intends to contract with third parties, including First Nation owned businesses, to provide inspection and maintenance services for any new EWT LP transmission facilities.

In the development of the Application to date, the Applicant has not used any of the non-executive staff and information resources of the transmission development, construction or maintenance groups of Hydro One Networks Inc, an affiliate of EWT LP partner Hydro One Inc., to assist in developing its plans.

Exactly which technical capabilities the Applicant will require, in what amounts, from which sources and at what cost will be determined once the scope and scale of the facilities to be developed, owned and/or operated have been defined.

Supplementary Responses:

- (c) As indicated in the Application and the initial interrogatory responses, the Applicant intends to enter into a contract with Hydro One Networks Inc. (“**HONI**”) to provide operating services for the new line. These services will be provided by HONI personnel using HONI facilities, principally the grid control centre. As set out in the Application, HONI has extensive expertise in transmission operations, owning and operating approximately 97% of the transmission system in Ontario, including approximately 29,000 circuit kilometres of high-voltage transmission lines, 280 transmission stations and 26 interconnections with neighboring provinces and states. The scope of the services to be provided, the number of staff involved and the cost of the services are yet to be determined, given that the Board has not yet designated a transmitter for the development of the East-West Tie. The services will be provided on terms and conditions consistent with established OEB principles.

The interaction between the Applicant and HONI described above will only occur after the completion of the designation process if the Applicant becomes the designated transmitter for the East-West Tie. Any interaction between the Applicant and HONI prior to that time will be in accordance with the established protocols that have been filed with the Board.

- (e) The Applicant intends to contract with Great Lakes Power Transmission LP (“**GLPT**”) or a related Brookfield entity for the development and management of any future new EWT

LP transmission facilities. The scope of the development and management services to be provided, the number of staff involved and the cost of the services are yet to be determined, given that the Board has not yet designated a transmitter for the development of the East-West Tie. The services will be provided on terms and conditions consistent with established OEB principles.

To the extent GLPT provides any transmission development and management services, GLPT will draw on its extensive experience as one of the five licensed transmitters which own and operate Ontario's provincial electricity transmission system. GLPT and its predecessors have owned and operated electricity transmission facilities in northern Ontario for almost one hundred years. GLPT is responsible for and plans its transmission system in accordance with all applicable provincial and North American reliability standards. GLPT undertakes system planning for its part of the integrated provincial electricity transmission system in conjunction with the Independent Electricity System Operator, the Ontario Power Authority, HONI, directly connected customers and the two local distribution companies.

For example, GLPT recently completed the construction of the Transmission Reinforcement Project. This project entailed the planning, design, permitting and construction of a new 164 km 230 kV overhead line between Sault Ste. Marie and Wawa (EB-2003-0162), which is one of the longest open access 230 kV overhead lines to have been constructed in Ontario in recent years. GLPT also has commercial relationships with professional service firms and specialist consultants that provide services for major linear infrastructure projects, including electricity transmission, in Ontario, across Canada and throughout North America, and which are able to supplement GLPT's own expertise, as necessary. The Applicant and/or GLPT will call on these consultants as necessary to help support the development and management of any future new EWT LP transmission facilities.

Furthermore, as noted, in providing transmission development and management services, the Applicant may draw on the experience of other Brookfield entities that are part of the utilities group of Brookfield Infrastructure Partners L.P. ("**BIP**"). Brookfield is an experienced operator of electricity projects in multiple jurisdictions. In particular, BIP is involved in utility operations in Connecticut, Long Island and South America. For example, in addition to the operations of GLPT, BIP is involved in a 330 MW submarine transmission line between Connecticut and Long Island; an electricity distribution franchise approximately 150 kilometres north of Bogota, Columbia; and approximately 8,200 km of transmission lines in Chile that serve 98% of the country's population and include 100% of Chile's 500kV transmission lines, the highest voltage lines in the country.

Brookfield is also an experienced developer and constructor of transmission projects in multiple jurisdictions. For example, in addition to the development and construction work undertaken by GLPT, BIP is currently involved in the development of approximately 600 kilometres miles of transmission lines and six substations in Texas.

The interaction between the Applicant and GLPT described above will only occur after the completion of the designation process if the Applicant becomes the designated transmitter for the East-West Tie. Any interaction between the Applicant and GLPT prior to that time will be in accordance with the established protocols that have been filed with the Board.

- (1) Contrary to what is suggested in the preamble of this interrogatory, the successful development, construction and operation of transmission facilities includes more than technical expertise. Bamkushwada LP (“**BLP**”) is a partnership wholly owned by the six First Nations whose traditional territories are situated along the proposed East-West Tie. BLP has significant local knowledge and expertise regarding the territory in which the East-West Tie will be located, particularly with respect to the environmental and socioeconomic characteristics of the area. BLP will provide important expertise in any environmental assessment and routing processes. The Applicant expects BLP to play a role in the identification of any potential environmental or socioeconomic impacts of the East-West Tie project, and in the development of appropriate mitigation measures.

Furthermore, First Nation community members and businesses have significant and valuable expertise and experience providing services that will be required to maintain the proposed East-West Tie and the associated corridor. These services include, for example, vegetation management, civil works and forestry. It is the Applicant’s expectation it will, in conjunction with BLP, maximize the use of such services from local businesses, to the extent that they demonstrably represent value for money to ratepayers and meet all relevant health, safety and environmental standards.

Given that the Board has not yet designated a transmitter for the development of the East-West Tie, the exact scope of the services to be provided by BLP, the number of staff involved and the cost of the services are yet to be determined. The services will be provided on terms and conditions consistent with established OEB principles.

Interrogatory 5 – Financial resources

Reference:

Cover Letter, pg. 2, Section 3 titled “Technical and Financial Expertise, Experience and Resources”

Application, Part 2, Applicant

Application, Part 11, Financial Information

Preamble:

Since there are multiple limited partners and affiliates, the following series of questions is intended to clarify to what extent the Applicant is relying upon each of its limited partners and affiliates for financial resources. Please provide a distinct answer for each separate legal entity.

Questions:

- (a) To what extent, if any, is the Applicant relying on the financial resources of each of its limited partners or its affiliates to finance the venture? Please describe each limited partner’s and affiliate’s financial commitment to EWT LP. Please answer for each of:
 - (A) Hydro One Inc.
 - (B) Hydro One Networks Inc.
 - (C) Great Lakes Power Transmission EWT LP
 - (D) Bamkushwada LP and each of the six Participating First Nations
 - (E) Great Lakes Power Transmission Inc.
 - (F) Brookfield Infrastructure Holdings (Canada) Inc.
 - (G) Brookfield Asset Management
 - (H) Great Lakes Power Transmission LP
- (b) To what extent is the Applicant’s limited partners or affiliates legally obligated to provide necessary financing to EWT LP? For instance, can EWT LP demand additional capital contributions from its limited partners without an obligation to obtain consent, or will additional financing require the consent of the limited partners? In the event of a dispute between the limited partners, what processes are in place to ensure EWT LP can obtain all necessary financing? Please answer for each of:
 - (A) Hydro One Inc.
 - (B) Hydro One Networks Inc.

- (C) Great Lakes Power Transmission EWT LP
- (D) Bamkushwada LP and each of the six Participating First Nations
- (E) Great Lakes Power Transmission Inc.
- (F) Brookfield Infrastructure Holdings (Canada) Inc.
- (G) Brookfield Asset Management
- (H) Great Lakes Power Transmission LP

Initial Responses:

- (a) In response to Interrogatories 5(a) (i)-(viii), we note that the Board “typically examines the applicant’s financial information to get *some appreciation* of its ability to operate as a transmitter.”¹ EWT LP has filed, with the Application, the financial statements of Hydro One and Great Lakes Power Transmission Inc. It can also confirm that EWT LP will have the ability to raise financing through equity and debt as would typically be done for transmission projects in Ontario. Particular information about how EWT LP relies on the financial resources of the listed entities is irrelevant to the Application. See also the response to TransCanada’s Interrogatory 1.
- (b) See the response to Interrogatory 5(a) immediately above.

Supplementary Responses:

- (a) As mentioned in the initial interrogatory response to AltaLink interrogatory 5(a), the Applicant will raise financing through debt and equity. The equity will be provided by the Applicant’s limited partners. Each partner will be responsible for providing its own equity in relation to its partnership interest. In this regard, the Application included the audited financial statements of Hydro One Inc. (“**Hydro One**”) as evidence of the financial resources available to Hydro One for the purposes of providing equity to the Applicant.

For its equity contribution to the Applicant, GLPT EWT LP will be relying on its relationship with its parent company BIP (which is indirectly controlled by Brookfield Asset Management Inc.). Attached to these supplementary interrogatory responses is the Form 20-F of BIP filed on April 26, 2011, which includes the audited 2010 financial statements of BIP. As an example of how BIP is expected to make equity available to GLPT EWT LP for the purposes of financing the Applicant, the Application had also included audited financial statements of GLPT, given that the corporate structure relationship of GLPT EWT LP and BIP mirrors that of GLPT and BIP.

¹ See the Board’s Decision and Order in the Chatham-Kent application (EB-2010-0351), at 5. Emphasis added.

Because BLP was recently formed, it does not have relevant financial statements to provide with the Application. However, like Hydro One and GLPT EWT LP, BLP is obligated to provide equity to the Applicant in relation to BLP's limited partnership interest. BLP will finance its equity interest on commercial terms. If BLP cannot obtain appropriate funding, GLPT EWT LP (with the support of BIP, if necessary) and Hydro One will provide financing for BLP's equity contribution strictly on commercial terms. BLP has and will continue to have the rights and obligations of an equal partner to Hydro One and GLPT EWT LP.

HONI and GLPT do not have any obligation to provide financing with respect to the development, construction or operation of the East-West Tie.

- (b) The general partner of the Applicant determines whether the Applicant requires additional financing, and it can request additional equity contributions from the Applicant's limited partners. Each of the limited partners is obligated to provide a 1/3 share of such additional funding (on terms similar to that described in (a) above).

If any limited partner does not make the required contribution, remedies will be available, including the right for contributing limited partners to make additional contributions to the Applicant that dilute the partnership interest of the limited partner that does not make the required contribution.

Supplementary Responses to Upper Canada Transmission, Inc.'s Interrogatories

Interrogatory 4 – Financial information

Reference:

Section 11 of Application

Preamble:

The OEB has stated that in the exercise of its licensing function in transmission licence application cases the Board will consider, *inter alia*, the applicant's apparent financial status and its potential for access to further financial resources. EWT LP has not provided any financial information in response in section 11 of its application that indicates how the applicant would be capitalized and financed in order to develop a transmission project.

Requests:

- (a) Please provide information on EWT LP's financial resources, including its access to the financial resources of each of its partners.

Initial Responses:

- (a) See the response to AltaLink Interrogatories 5(a) and (b).

Supplementary Responses:

- (a) See the supplementary interrogatory response to AltaLink's Interrogatories 5(a) and (b).