



**EB-2007-0691**

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

**AND IN THE MATTER OF** a review of a notice of proposal  
filed by Kruger Energy Inc. under section 81 of the *Ontario  
Energy Board Act, 1998*.

## **PROCEDURAL ORDER NO. 2**

On July 17, 2007, Kruger Energy Inc. ("KEI") filed a notice of proposal with the Ontario Energy Board (the "Board") under section 81 of *Ontario Energy Board Act, 1998* (the "Act"). The notice of proposal relates to KEI's proposal to construct and operate a 100 MVA substation in the Municipality of Chatham-Kent. The proposed facility, which would be located near the Bloomfield Business Park, would be connected to the 230 kV transmission lines between the Chatham Transformer Station and the Lauzon Transformer Station. The Board has assigned the notice of proposal file number EB-2007-0691.

Under section 81 of the Act, a generator or an affiliate of a generator cannot, among other things, acquire an interest in a transmission or distribution system in Ontario or construct a transmission or distribution system in Ontario unless it has first given notice of its proposal to do so to the Board and the Board has not issued a notice of review or has approved the proposal under section 82 of the Act.

On September 13, 2007, the Board issued a notice of review of KEI's notice of proposal. In accordance with section 82 of the Act, the Board has proceeded with the review of the proposal. The Board issued a Notice of Written Hearing on September 25, 2007. KEI served and published the Notice during the period of September 27 to 29, 2007. Six parties were granted intervenor status in the proceeding. An intervenor list is attached as Appendix A to this procedural order.

In accordance with Procedural Order #1, issued on October 26, 2007, KEI filed evidence on November 5, 2007. Interrogatories were subsequently filed by Chatham-Kent Hydro Inc., the Ontario Power Authority, Allus Power Inc. and Board staff. KEI filed responses to the interrogatories on November 19, 2007. Procedural Order #1 provided parties with the opportunity to file evidence following the response to interrogatories. On November 26, 2007, evidence was filed by the Independent Electricity System Operator ("IESO") and Hydro One Networks Inc. ("HONI").

On January 7, 2008, KEI was advised that it was the Board's view that the System Impact Assessment ("SIA") application to the IESO and the Customer Impact Assessment ("CIA") application to HONI are relevant to this proceeding. On February 25, 2008, KEI advised the Board that the SIA application for a 110 MVA substation had been filed with the IESO. The Board is prepared to hold a technical conference even though the CIA has not been filed with HONI. The technical conference will provide all parties, including KEI, the opportunity to test all of the evidence filed to date.

All parties are reminded that section 82(3) of the Act states that the "Board shall make an order approving a proposal described in section 81 if it determines that the impact of the proposal would not adversely affect the development and maintenance of a competitive market." Therefore, the sole issue in this proceeding is whether the impact of the proposal adversely affects the development and maintenance of a competitive market. All evidence, interrogatories, and submissions in this proceeding, and all questions at the technical conference, must be focused on answering that question.

Accordingly, the Board expects the participants of the technical conference to address the following issues:

- (a) the capacity of the 230 kV lines between the Chatham Transformer Station and the Lauzon Transformer Station, in particular, whether the proposed substation could:
  - (i) limit future access to the 230 kV lines by other persons; and
  - (ii) impose limits on the IESO operation of the lines which could restrict other persons; and
- (b) the future operation of the proposed substation, in particular:
  - (i) what the process would be for selecting generation projects for connection to the proposed substation; and

- (ii) whether the IESO and HONI connection processes could be adversely affected.

The Board considers it necessary to make provision for the following matters related to this proceeding. The Board may issue further procedural orders from time to time.

**THE BOARD ORDERS THAT:**

1. To the extent that it has not already done so, Kruger Energy Inc. shall immediately provide a copy of all the material it has filed with the Board to the intervenors.
2. A transcribed technical conference will be held at 2300 Yonge Street, 25<sup>th</sup> floor, Toronto, Ontario in the Board's West Hearing Room. The technical conference will commence on April 14, 2008 at 9:30 AM and may continue the next day. Parties shall confirm their attendance by writing to the Board Secretary or by sending an email to [Boardsec@oeb.gov.on.ca](mailto:Boardsec@oeb.gov.on.ca) by April 2, 2008.
3. If intervenors and Board staff plan to ask for additional information at the technical conference on any of the evidence or responses to interrogatories previously filed with the Board, intervenors and Board staff shall file questions with the Board and deliver them to Kruger Energy Inc. and all intervenors on or before April 4, 2008. The questions must be related to the impact of the proposal on the development and maintenance of a competitive market and the issues identified in this procedural order. Where possible, the questions should specifically reference evidence.

All filings to the Board must quote file number EB-2007-0691, and consist of an electronic copy in searchable / unrestricted PDF format filed through the Board's web portal at [www.errr.oeb.gov.on.ca](http://www.errr.oeb.gov.on.ca), and four paper copies sent to the address below. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Please use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca). If the web portal is not available you may email your document to [BoardSec@oeb.gov.on.ca](mailto:BoardSec@oeb.gov.on.ca). Those who do not have internet access are required to submit all filings on a CD or diskette in PDF format, along with four paper copies. Those who do not have computer access are required to file seven paper copies.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date. Parties must also include the Case Manager, Violet Binette ([violet.binette@oeb.gov.on.ca](mailto:violet.binette@oeb.gov.on.ca)), on all electronic correspondence related to this case.

ISSUED at Toronto, March 27, 2008

ONTARIO ENERGY BOARD

*Original signed by*

Kirsten Walli  
Board Secretary

**Address**

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## APPENDIX A

### KRUGER ENERGY INC.

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#### LIST OF PARTIES

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Intervenors	Rep. And Address for Delivery
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<b>AND</b>	<p>Mr. Dave Kenney  President  Chatham-Kent Hydro Inc.  320 Queen St.  Chatham ON N7M 5K2</p> <p>Tel: (519) 352-6300 (261)  Fax: (519) 352-9860  Email: <a href="mailto:davekenney@ckhydro.com">davekenney@ckhydro.com</a></p>
<b>Independent Electricity System Operator</b>	<p>Mr. Carl Burrell  Senior Regulatory Analyst  Regulatory Affairs  Independent Electricity System Operator  655 Bay Street  Suite 410, PO Box 1  Toronto ON M5G 2K4</p> <p>Tel: (416) 506-2858  Fax: (416) 506-2847  Email: <a href="mailto:carl.burrell@ieso.ca">carl.burrell@ieso.ca</a></p>
<b>Ontario Power Authority</b>	<p>Ms. Miriam Heinz  Regulatory Coordinator, Legal and External Affairs  Ontario Power Authority  120 Adelaide Street West  Suite 1600  Toronto ON M5H 1T1</p> <p>Tel: (416) 967-7474  Fax: (416) 967-1947  Email: <a href="mailto:miriam.heinz@powerauthority.on.ca">miriam.heinz@powerauthority.on.ca</a></p>

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