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Director – Major Projects and Partnerships
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BY COURIER

July 6, 2012

Ms. Kirsten Walli
Secretary
Ontario Energy Board
Suite 2601, 2300 Yonge Street
P.O. Box 2319
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

EB-2012-0082 – Hydro One Networks Inc. Section 92 – Lambton to Longwood Transmission Upgrade Project – Hydro One Networks Inc. Submission

Please find attached the submission of Hydro One Networks Inc. in the above-mentioned proceeding.

A copy of this letter and the attached submission have been filed in text-searchable electronic form through the Ontario Energy Board's Regulatory Electronic Submission System and the confirmation slip is enclosed.

Sincerely,

ORIGINAL SIGNED BY ANDREW SKALSKI

Andrew Skalski

Attach.

c. EB-2012-0082 Intervenor (electronic only)

HYDRO ONE NETWORKS INC. SUBMISSION

On March 28, 2012, Hydro One Networks Inc. (“Hydro One”) applied to the Board for an Order granting leave to construct for new transmission line facilities (“Lambton to Longwood Transmission Upgrade Project”) in southwestern Ontario, west of London, Ontario.

The application before the Board is driven by Hydro One’s transmission license requirement to proceed with developing and seeking approval, in accordance with the scope and timing recommended by the Ontario Power Authority (“the OPA”), to upgrade one or more existing transmission lines west of the City of London¹.

The OPA has provided evidence that the Lambton to Longwood Transmission Upgrade Project is required to assist in satisfying government policy and to increase the deliverability of system resources. The OPA’s evidence demonstrates that the Project is a cost-effective solution that can be in-service by 2014, consistent with the target in-service date outlined in the Long Term Energy Plan (“LTEP”)². The Independent Electricity System Operator (“the IESO”) has granted approval for this project in a System Impact Assessment report³.

The Project will enhance the deliverability of system resources to enable approximately 500 MW of renewable generation in the west of London transmission area, depending on system conditions and the type and location of generation enabled⁴. The Project will also increase transfer capability to enable approximately an additional 100 MW of firm capacity to be delivered from the West of London transmission area to the rest of the province⁵. The cost of the project, \$40 million, will have minimal impact on a typical residential customer’s electricity bill (0.01%)⁶.

¹ Exhibit A, Tab 3, Schedule 1, page 1

² Exhibit B, Tab 1, Schedule 5, page 2

³ Exhibit B, Tab 6, Schedule 2

⁴ Exhibit B, Tab 2, Schedule 1, page 2

⁵ Exhibit B, Tab 1, Schedule 5, page 18

⁶ Exhibit B, Tab 4, Schedule 3

1 The proposed project involves upgrading approximately 70 km of double circuit 230 kV
2 transmission line and replacing existing insulators and associated hardware on the
3 L24L/L26L circuits from Lambton TS to Macksville Junction, near Longwood. The
4 proposed project will use the existing towers and rights-of-way. While minor
5 modifications will be needed on three towers no towers will be moved as a result of the
6 reconductoring.

7
8 Hydro One has proposed a cost-effective solution, using a High Temperature Low Sag
9 Conductor. As discussed in the response to Board Staff Interrogatory #3 (Exhibit I, Tab
10 1, Schedule 3), the use of the heavier 1843.2 kcmil ACSR conductor (versus the HTLS
11 conductor), as is currently used on the Longwood TS to Macksville Junction section,
12 would not be the preferred solution. This option would require: replacement or
13 reinforcement of many transmission towers and their foundations; building a bypass line
14 and obtaining additional property rights as required; replacing insulators and hardware;
15 restringing the section with 1843.2 kcmil ACSR conductor; and, an individual
16 Environmental Assessment if more than 25 towers are affected (which in Hydro One's
17 view is likely to be the case). These requirements would result in the cost of the project
18 using this solution being well over the proposed \$40 million and the project's
19 development and construction period would be increased by two or more years. Also, as
20 discussed in response to Board Staff Interrogatory #4 (Exhibit I, Tab 1, Schedule 4), an
21 upgrade to the Scott-Buchanan circuits would not produce the required improvements in
22 the Flow East Toward London capability and would prove to be more challenging and
23 costly than the Lambton-Longwood project. For these reasons, Hydro One believes that
24 the proposed solution is the best solution, both economically and technically.

25
26 The Lambton to Longwood Transmission Upgrade Project will have minimal
27 environmental impact and has been screened-out under the *Class Environmental*
28 *Assessment for Minor Transmission Facilities* which is approved by the Ontario Ministry
29 of Environment. Hydro One will adhere to all recommendations made by the Ministry of
30 Environment and other provincial or federal ministries, departments or agencies, and as
31 well will abide by any commitments Hydro One has made during the consultation
32 process⁷.

⁷ Exhibit I, Tab 2, Schedule 3

1 Chippewas of the Thames First Nation Interrogatory #4 (Exhibit I, Tab 1, Schedule 4),
2 requested information on Hydro One's aboriginal consultation and requested that Hydro
3 One file a consultation log documenting all Hydro One's engagement activities with
4 COTTFN. Hydro One has filed this log with a compilation of correspondence, meeting
5 notes and minutes with COTTFN regarding the project. The Project has been undertaken
6 under the guidelines set out by the Ministry of Environment, an Environmental Screening
7 was completed, a Stage 1 Archaeological Assessment was completed for the entire
8 transmission right-of-way between Lambton TS and Longwood TS, engagement with
9 First Nations identified by the Crown has occurred and is ongoing, and meetings took
10 place with COTTFN to further understand their interests and concerns with the project.
11 All of the work for this project will be conducted on Hydro One's existing right-of-way
12 and there will be no significant disturbance of land. Hydro One believes that the Project
13 will have nil or negligible adverse effects on Aboriginal rights.

14
15 No new permanent land rights will be required to accommodate the proposed
16 transmission facilities; however, temporary rights for construction purposes will be
17 required at specific locations along the corridor⁸. Hydro One will follow standard
18 construction practices and will consult with landowners to minimize impacts of
19 construction⁹.

20
21 In summary, Hydro One believes that the Lambton to Longwood Transmission Upgrade
22 Project is in the public interest and should be approved. The transmission solution
23 provided in the application is cost-effective and results in minimal impact to ratepayers.
24 The Project will assist in satisfying government policy as it relates to renewable resource
25 incorporation, and will increase the deliverability of system resources. Hydro One has
26 consulted with appropriate parties and believes that the environmental impact of this
27 project is minimal. Finally, the OPA and the IESO are both in support of this project.

28
29 All of which is respectfully submitted for the Board's consideration.

⁸ Exhibit B, Tab 6, Schedule 6, page 1

⁹ Exhibit I, Tab 1, Schedule 7, page 2