CANADIAN NIAGARA POWER INC.
A FORTIS ONTARIO Company

April 18, 2013

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

RE: ARGUMENT-IN-CHIEF FOR THE EAST-WEST TIE LINE DESIGNATION – BOARD FILE NUMBER: EB-2011-0140

Please find accompanying this letter two (2) copies of CNPI's Argument-In-Chief submitted to the Board by Canadian Niagara Power Inc.

A PDF version of this document will, coincidently with this written submission, be filed via the Board's Regulatory Electronic Submission System.

If you have any questions in connection with the above matter, please do not hesitate to contact the undersigned at (905) 994-3634.

Yours truly,

Original Signed By:

Douglas Bradbury P.Eng,
Director Regulatory Affairs

Enclosure

(page left blank intentionally)

ONTARIO ENERGY BOARD

IN THE MATTER OF sections 70 and 78 of the *Ontario Energy Board Act, 1998*, C. S.O. 1998, c.15 (Sched. B);

AND IN THE MATTER OF a Board-initiated proceeding to designate an electricity transmitter to undertake development work for a new electricity transmission line between Northeast and Northwest Ontario: the East-West Tie Line.

EB-2011-0140

Application for Designation

East-West 230kV Tie

(Network Expansion)

Argument-In-Chief

Submitted by:

Canadian Niagara Power Inc.

A Fortis Company

(page left blank intentionally)

EAST-WEST TIE DESIGNATION

A. SUMMARY OF THE APPLICATION

1. Organization:

The applicant is Canadian Niagara Power Inc. ("CNPI"), a licensed transmitter (ET-2003-0073) with transmission facilities in and around the area of Fort Erie, Ontario, as well as a transmission interconnection to New York State. CNPI is a subsidiary of FortisOntario Inc., which is wholly owned by Fortis Inc. ("Fortis"). Fortis is the parent company to a number of transmission and distribution utilities. Fortis is the largest investor-owned distribution utility in Canada, with total assets of $14 billion and fiscal 2011 revenues totaling $3.7 billion. Fortis serves approximately 2,000,000 gas and electricity customers, and currently operates 4,285 km of electricity transmission lines and associated substations, and 3,000 km of gas transmission pipelines. As part of Fortis, CNPI has access to a wealth of transmission experience and expertise that would ensure the successful development, construction and operation of the East-West Tie project (the “East-West Tie Project” or the “EWT”).

In addition to drawing on the expertise and experience within Fortis, CNPI has assembled a team of experts who bring relevant expertise to the East-West Tie Project. Members of the CNPI team include Fortis employees, CNPI’s First Nations partner Lake Huron Anishinabek Transmission Company Inc., and the engineering firms of Neegan Burnside, an Aboriginal owned firm, and TRC Engineers who will assist on, among other things: design; permitting; consultations; project management; and construction. The team also includes legal experts Davies Ward Philips & Vineberg LLP and Andrew Taylor of the Energy Boutique.

The applicant and its team have a great deal of recent experience managing projects relevant to the East-West Tie Project, including the Waneta Hydro 230kV Transmission Project, Okanagan 230 kV Transmission Reinforcement, Mt. Hayes Natural Gas Storage/Transmission Project, Nk’Mip (East Osoyoos) Transmission and Substation

Project and the Newfoundland Multi-Year Transmission Line Rebuild Project. These projects are described at s. 2.3 of the Application, page 28.

2. First Nation and Métis Participation:

CNPI has formed a joint venture with Lake Huron Anishinabek Transmission Company Inc. ("LHATC"). LHATC is made up of 21 First Nations who are signatories or are adherent to the Robinson-Huron Treaty of 1850. Two of the 21 signatories are on the Ontario Power Authority's East-West Tie list of affected First Nations. LHATC, along with other interested and affected Aboriginal communities, will have the right to acquire in aggregate up to a 49% equity interest in the East-West Tie Project. CNPI will undertake an assessment to quantify the potential impacts on affected First Nations and Métis communities, which amount could be counted toward the participating communities equity participation.

As well, First Nation and Métis participation opportunities will also include employment opportunities, an apprenticeship training fund for Aboriginal candidates to become power line technicians, preferential consideration will be given to Aboriginal businesses and a unique Skill Builder Program will be used for Aboriginal youth to educate and train them for potential employment in the utility construction industry.

3. Technical Capability:

The CNPI technical team is comprised of employees from Fortis, LHATC, and CNPI's external consultants which include TRC Engineers and Neegan Burnside. The CNPI technical and management team is based in Ontario.

The Fortis component of the team includes multiple utility-experienced persons. This team has expertise, experience, and the technical capability to engineer, plan, construct, operate and maintain the line. Members of this team have worked on projects of equivalent nature, magnitude and complexity. Fortis has experienced

transmission and distribution crews located at the Wawa Service Centre along with its helicopter partners in Wawa and Marathon that will allow for a quick response to any trouble issues along the East-West Tie.

TRC engineering has a power delivery staff of approximately 500 experienced project managers, engineers, planners, and support staff. Its engineers have designed more than 3,000 miles of 69 kV, 115 kV, 138 kV, 230 kV, 345 kV, and 500 kV transmission lines.

Neegan Burnside has 15 Aboriginal employees in engineering, environmental and support services representing 15 separate Aboriginal communities in Ontario and Manitoba. Together with its partner R.J. Burnside and Associates, Neegan Burnside has access to over 330 professional staff. R.J. Burnside and Associates provides infrastructure, engineering and consulting services both in Canada and internationally.

4. Financial Capability:

Fortis has sufficient capital resources under its $1 billion committed revolving corporate credit facility to finance the development and construction of the East-West Tie Project. The facility provides more than sufficient liquidity to proceed and could be used to completion. There will be no requirement for new bridge financing or to initially access capital markets to raise funds. Fortis carries an investment grade rating of A- from Standard & Poor's and A (low) from DBRS. Over the past two-years, Fortis and its subsidiaries have made capital expenditures in excess of $2 billion while maintaining strong credit ratings and has raised over $4 billion in the capital markets over the last five years. Fortis confirms that assistance in financing a participating equity interest will be available to its Aboriginal partners.

5. Proposed Design for the East-West Tie Project:

CNPI submitted its application based on the Reference Option as defined by the OEB in its letter to transmitters dated December 20, 2011, and as more particularly described in the IESO Feasibility Study, Report 0748, published August 18, 2011.

For the proposed 400 km line, CNPI's Plan is for 1,335 structures, which are required based on an average spacing of 300 m. The majority of this line is expected to be double circuit steel lattice towers. The tower designs being considered by CNPI have been used in Ontario and Alberta. Double circuit steel monopoles will be considered for this project and may possibly be utilized in several areas.

As proposed by the IESO Feasibility Study, Report 0748, CNPI's application is based on 1192.5 kcmil 54/19ACSR conductor. During the development phase, final conductor selection will be confirmed based on an economic analysis considering the initial cost, expected load, and cost of losses.

CNPI's new line, in conjunction with the existing tie, will provide total eastbound and westbound capabilities in the order of 650MW, while respecting all NERC, NPCC and IESO reliability standards. As an owner and operator of both transmission and distribution facilities in Ontario, CNPI would continue to own and operate the East-West Tie Project after it is constructed.

6. Schedule:

CNPI estimates that it can complete development of the East-West Tie Project by June, 2017 upon approval of its Environmental Assessment ("EA"). CNPI has allowed sufficient time in its EA schedule for proper environmental studies and input from Aboriginal communities and the public. CNPI estimates that it can have the line in service by December, 2019. If designated, CNPI will attempt to reasonably expedite the completion of the project to the best of its abilities.

7. Costs:

CNPI estimates in 2012 dollars that its development costs will be $23,969,000,[1] and its construction costs will be $526,761,000,[2] for a total development and construction cost of $550,730,000. CNPI has spent $200,000 on the preparation of the application and estimates that it will incur an additional $100,000 to achieve designation.[3] It estimates its standalone OM&A costs to be $1,684,500.[4]

8. Landowner, Municipal and Community Consultation:

Fortis maintains access and land rights for thousands of kilometers of existing right-of-way. Establishing new right-of-way is a standard function at each Fortis utility. For the East-West Tie Project, CNPI will create a property rights and acquisition office that will report to the existing Engineering Department. This office will identify all properties impacted by the East-West Tie Project, as well as property required for access and temporary working areas. The property rights and acquisition office will be respectful of existing land owner rights, as well as the rights of other interested parties. CNPI believes that it is the best interests of the successful execution of the project to have an open, fair and consistent process to deal with all land rights issues.

While the proposed route has been identified as primarily parallel to the existing 230kV line based on the Reference Option, the route has not been studied in detail levels similar to the EA process for purposes of this Plan. CNPI did complete a flyover of the existing line and observed several locations where the proposed line may be required to deviate from an absolute parallel line. CNPI has considered an alternate corridor, which adds approximately 25 kilometers. Detailed environmental and engineering analysis will be required to determine the final route. CNPI believes that the cost of the additional

[1] CNPI response to Interrogatory #26 (All Applicants)
[2] CNPI response to Interrogatory #26 (All Applicants)
[3] CNPI Application section 8.1 (Page 111 of 160)
[4] CNPI response to Interrogatories #26 and #29 (All Applicants).

towers and conductor will be offset by the savings obtained in the cost to construct access routes and environmental requirements.

CNPI has a long established practice of stakeholder engagement at the local levels. For over a decade, CNPI's northern utility (Algoma Power Inc.) has held annual stakeholder meetings with each of its 13 communities plus 4 First Nation communities served directly by its distribution system covering topics such as capital projects, environment, public safety, customer service and rates. CNPI anticipates utilizing existing stakeholder engagements to discuss the local issues and concerns with respect to the EWT. Where new community stakeholder relationships need to be established, a similar framework would be introduced.

9. First Nation and Métis Consultation:

Fortis has significant experience in several Canadian jurisdictions working with Aboriginal communities. Fortis has engaged in limited partnerships and long-term leases with Aboriginal communities and multiple other programs.

CNPI is committed to working closely and cooperatively with the Crown to ensure that the duty to consult with Aboriginal communities and groups is fulfilled. An Aboriginal Consultation and Engagement Plan will be developed at the start of the EA, which treats engagement with First Nations and Métis on an equivalent basis. LHATC will also provide advice and assistance as required during the consultations. CNPI has engaged Neegan Burnside to assist CNPI in performing First Nations and Métis consultations. The various associates of the firm have been providing services to First Nation and Métis communities for over 40 years and offer a true understanding of Aboriginal culture that allows effective and successful consultations with Aboriginal communities.

Consultation and engagement with Aboriginal groups will provide project-related information in an easily accessible and understandable format. Specifically, the project

team will seek information from Aboriginal groups with regard to land use and treaty rights, traditional ecological knowledge, archaeological sites, sacred sites and burial grounds. Communities will be asked to comment on the proposed EA and fieldwork methodologies to obtain baseline information. Aboriginal community members will be invited to form part of field teams, either as guides or assisting with archaeological fieldwork. Traditional knowledge of the study area by elders will be sought. The study team will endeavor to address all issues raised by Aboriginal communities with regard to potential impacts associated with their interests.

CNPI acknowledges the Ministry of Energy's expectation regarding the delegation of the procedural aspects of the Crown's duty to consult with Aboriginal communities, and confirms that as the designated transmitter CNPI will enter into a memorandum of understanding with the Ministry of Energy that will set out the respective roles and responsibilities of the Crown and CNPI in consultation.

10. Distinguishing Features of the Application:

- CNPI has existing Aboriginal participation and a plan for further participation by First Nation and Métis communities.
- CNPI's plan for Aboriginal equity ownership will benefit the greatest number (37) of Aboriginal communities (including the eighteen set out in the OPA's list of Crown identified Aboriginal communities).
- Fortis' experience and financial capacity associated with being the largest investor owned distribution utility in Canada.
- Fortis' long-term profile as an owner and operator of electricity transmission assets in Ontario and other jurisdictions.
- CNPI's smaller transmission presence in Ontario (compared to incumbent HONI) creates greater opportunity to increase competition in Ontario's transmission sector.

- Fortis' local knowledge of the transmission and distribution systems in the East-West Tie area of Ontario.
- Existing work centre located in Wawa, Ontario, staffed with Transmission experienced employees.
- Regulatory track record and experience in Ontario and other jurisdictions in which Fortis operates.
- An experienced team with an innovative approach to Aboriginal participation, communications, and project management.
- Fortis' established track record for successfully completing major utility projects.
- CNPI is an existing transmitter with all of the regulatory and operating requirements necessary to carry on business consistent with good utility practice in Ontario.
- Innovative information technology proposal to develop SAP and GIS inventory tracking system to increase efficiency and reduce cost to the rate payer.
- Fortis' track record of successfully financing significant capital programs/projects.

B. COMPARISON OF APPLICATIONS

In order to assist the Board with its evaluation of the applications in this proceeding, CNPI has undertaken a comparative analysis of the following key topics:

1. Aboriginal Equity Participation;
2. Aboriginal Consultation;
3. Project Costs;
4. Project Schedule; and
5. Project Design.

In addition, CNPI has highlighted certain issues that are of concern and should be considered by the Board is designating the transmitter for the East-West Tie Project.

1. Aboriginal Equity Participation

CNPI submits that Aboriginal equity participation in the EWT should be a fundamental consideration of the Board when evaluating the EWT applications. This assertion is founded in Ontario's Long Term Energy Plan, which provides:

"*Ontario will encourage transmission companies to enter into partnerships with aboriginal communities, where commercially feasible and where those communities have expressed an interest."*

While Ontario's Long Term Energy Plan also describes an expectation of other forms of Aboriginal participation in transmission projects such as job training, employment and participation in the procurement of supplies and contractor services, it specifically and separately encourages "partnerships" with Aboriginal communities.

CNPI submits that the use of word "partnerships" in the Long Term Energy Plan demonstrates the Ontario Government's expectation of Aboriginal equity participation.

As such, CNPI encourages the Board when evaluating the EWT applications to consider the following issues related to Aboriginal equity participation as part of its evaluation:

I. Does the equity participation proposed by the applicant apply equally to both First Nations and Métis communities?

Based on the reasons set out in the Métis Nation of Ontario's letter to the Board dated January 15, 2013, CNPI submits that it would be inappropriate for the Board to designate a transmitter whose equity participation proposal discriminates between First Nations and Métis communities.

II. Does the equity participation proposed by the applicant apply to both affected and unaffected/interested Aboriginal communities?[5]

CNPI submits that equity participation proposals that are available to all Aboriginal communities (i.e. not just those affected by the EWT) should be viewed more favourably by the Board. In the Minister's letter to the Board dated March 29, 2011, the Minister wrote, "*I would expect that the weighting of decision criteria in the Board's designation process takes into account the significance of aboriginal participation to the delivery of the transmission project...*" The Minister's letter did not distinguish between affected and unaffected/interested Aboriginal participation. All Aboriginal participation is encouraged. As such, CNPI submits that more inclusive Aboriginal equity participation proposals should be viewed more favourably by the Board.

[5] "Affected" refers to those communities identified by the Provincial Crown's letter dated May 31, 2011.

III. How much equity will be made available to Aboriginal communities?

The degree of equity made available to Aboriginal communities is also an important consideration. More equity offered to Aboriginal communities demonstrates a greater commitment to an Aboriginal partnership.

IV. Realistically, is the applicant likely to achieve Aboriginal equity participation within the proposed timeframe?

CNPI understands that while the Board will not look more favourably upon First Nation and Métis participation that is already in place, the Board invited applicants to demonstrate the advantages of the type and level of participation they have in place.[6] CNPI submits that the Board should not limit its evaluation of equity participation to simply ascertaining whether an applicant proposes to offer Aboriginal equity participation. Rather, the Board should consider whether it is realistic that an equity partnership can be established by an applicant within its proposed timeframe. CNPI submits that its current levels of Aboriginal participation through its MOU with LHATC creates advantages in executing a plan for future participation.[7] LHATC's leadership and Board of Directors have working relationships and knowledge of the affected Aboriginal communities that will assist CNPI in carrying out its plan for the New MOU referred to in CNPI's application within the timeframes proposed.[8] It can take many years to enter into an equity participation agreement with multiple Aboriginal communities. Relationships must be initiated and cultivated before any meaningful negotiations can begin. Further, in addition to an applicant negotiating with prospective Aboriginal communities, those Aboriginal communities must also negotiate with one another. As well, new legal entities may have to be created (i.e. a limited partnership of Aboriginal communities), Band Council Resolutions must be passed, and legal

[6] Phase 1 Decision and Order, page 8.
[7] CNPI Application page 38 of 160
[8] CNPI Application page 41 of 160

documents must be drafted and executed. All of this takes time, likely years based on CNPI's experience.

Just because an applicant proposes to offer Aboriginal equity participation, does not mean that it will be successful in entering into a partnership, let alone doing so within the proposed timeframe. Therefore, CNPI submits that the Board should consider whether applicants realistically allocated sufficient time to successfully entering into equity partnerships with Aboriginal communities.

V. Will the applicant loan money to its Aboriginal equity partners?

In the absence of financial resources, it will be difficult for Aboriginal communities to be equity participants in the EWT. As such, a proposal of equity participation without corresponding financial assistance in the form of a loan from the applicant may be an empty proposal. CNPI submits that the Board should consider the willingness of applicants to offer loans when evaluating equity participation proposals.

The following table entitled "*Aboriginal Equity Participation Comparison*" compares the applicants in regard to these issues:

Aboriginal Equity Participation Comparison

	CNPI	ALT	RES	ELP	ICN	UCT
Equal Opportunity for Equity Participation for First Nation and Métis?	Yes	Yes	Yes	No - equity only available to Bamkushwada LP	No	Unclear
Equity Participation Available to both Affected and Unaffected/Interested Aboriginal Communities?[9]	Yes	No - equity participation available only to affected communities	No - equity participation available only to affected communities	No - equity participation available only to Bamkushwada LP	No	Unclear
Amount of Equity Available	49%	49%[10]	20%[11]	33.33%[12]	0% (at this time)[13]	Not stated[14]
Is the timeframe realistic?[15]	Yes - equity participation partially arranged	Contact has been made, unknown whether equity participation discussed	Contact has been made, unknown whether equity participation discussed	Yes –exclusive equity participation arranged	Since ICN is not planning to offer equity participation at this time, it is unlikely they have started any process wrt. equity participation	No formal contact with any communities has been made, unknown whether equity participation discussed
Will the applicant loan money to Aboriginal equity partners?[16]	Yes	Yes, if necessary	No	Yes, if necessary	No	No

[9] Data from responses to Interrogatory #6 (All Applicants).
[10] ALT Interrogatory response #6 (All Applicants).
[11] RES Application (D-2-1) First Nations and Métis Participation Plan Report, page 7.
[12] ELP Application (Part A, Exhibit 2, Page 2 of 28).
[13] ICN Interrogatory response #10 (All Applicants).
[14] UCT Appendix 5 to Application
[15] Data from responses to Interrogatory #11 (All Applicants)
[16] Data from responses to Interrogatory #8 (All Applicants).

Based on this table, CNPI raises the following concerns about the applicants' Aboriginal equity participation proposals:

- ELP is not willing to offer equity participation to Métis communities, even those that are affected by the EWT. Further, ELP is only providing equity to the six First Nations partners of Bamkushwada LP and not to any other affected or unaffected/interested Aboriginal communities. Finally, ELP's 33.33% equity participation is quite limited.
- Neither ICN nor UCT seem committed to offering any equity participation.
- RES's proposed 20% maximum equity participation is quite limited.
- It appears that ALT, ICN, UCT and RES have not made any real progress in developing equity participation, and it is therefore questionable whether they will be able to finalize equity participation within the proposed timeframe.
- ICN, UCT and RES do not seem willing to loan money to their Aboriginal equity partners.

CNPI's Aboriginal equity participation proposal does not have any of these shortcomings. Rather CNPI's overall Aboriginal equity participation proposal is the strongest for the following reasons:

- it offers the most equity (49%, tied with ALT);
- it is the most inclusive as it offers equal participation to First Nations and Métis, as well as affected and unaffected/interested communities, resulting in the highest potential number of Aboriginal equity participants:
- it is willing to loan money to its Aboriginal equity partners; and
- it can realistically achieve Aboriginal equity participation within the proposed timeframe.

As can be seen from the following table entitled "*Potential Aboriginal Equity Participants*", CNPI's plan for Aboriginal participation benefits potentially the greatest number of Aboriginal communities.

Potential Aboriginal Equity Participants

	CNPI	ALT	RES	ELP	ICN	UCT
No. of Potential Aboriginal Equity Participants	37 [17]	18	18	6	0	0

Fortis began working on an Aboriginal relationship several years ago when it was invited by LHATC to begin discussions with a view of possibly forming a partnership. Fortis' focus was to take the time to get to know each other and work with its Aboriginal partners to build mutual trust and knowledge of the regulatory process starting with the 2010 OEB policy entitled "*Framework for Transmission Project Development Plans*". By building relationships with First Nations communities interested in developing transmission projects in Ontario and participating in the process, both Aboriginal and Fortis personnel developed knowledge of the regulatory process around designation, issues of concern to LHATC and the communities it represents, and trust with First Nations leadership. Fortis' experience has found that these relationships take many years to foster. The relationship with LHATC was developed over a four year period, and has allowed the joint venture Management Committee formed pursuant to the MOU between FortisOntario and LHATC to consider alternate strategies and ownership possibilities with other Aboriginal partners in the project. Given the timeframe required to develop and construct the EWT, the applicants who have merely initiated contact or have held brief meetings (ALT, RES, ICN, and UCT) will likely find that their plans for participation will take much longer to implement than allowed for in their schedules. Alternatively, Aboriginal participation and consultations will get inadequate attention by these applicants (ALT, RES, ICN and UCT) who have tight project schedules, and have not provided for the time to get these participation relationships in place.

[17] 21 communities in LHATC plus the 18 communities identified by the Crown, two of which are in LHATC.

Most of the applicants were applying for transmission licenses in 2010, while Fortis concentrated its time on relationship building with First Nations. While these other applicants were capable of initiating contact with Aboriginal communities, they either chose not to or were unsuccessful in developing meaningful and binding relationships (ALT, RES, ICN and UCT). It is this group that seems to be relying upon correspondence or conversations from the Ministry, OPA and/or OEB as being an indication that they should forgo all discussions with these communities until they have been designated. Meantime, Fortis has had and continues to hold numerous meetings over this two year time frame with its LHATC partners in connection with the designation proceeding and the application.

2. Aboriginal Consultation:

Fortis' experience in major projects and relations with Aboriginal communities in Ontario has allowed it to set the most realistic in service date of 2019. The "tick off the box" (ALT, RES, ICN, UCT) and exclusive Aboriginal arrangement (ELP) applicants have been unrealistic in setting their in service dates. Perhaps this is a combination of the following: a lack of experience in Aboriginal relations in Ontario; and an intention to keep out Aboriginal communities from meaningful participation in the process. This can be seen by the other applicants' (ALT, RES, ELP, ICN, UCT) proposals which have scheduled EA field work before submission of their EA terms of reference. Their assumption is that the field work will be carried out in line with their plan without any changes from the EA terms of reference review, which means no changes resulting from Aboriginal consultations. CNPI questions whether these applicants take Aboriginal consultations seriously if they are planning to ignore their input in the EA process. The Board may take the approach that comments on the "Environmental Assessment" aspect of the designation application are to be dealt with by the EA process and its regulators; however, environmental assessment aspects must be considered by the OEB as they have a direct impact on the in service date, which is a criterion for OEB designation. Also, it is important for the OEB to understand which applicant has the highest degree of competence in order to be able to successfully complete the EA process within a reasonable timeframe. CNPI raised this concern numerous times in its submission of proposed interrogatories (see IR #'s 7, 8, 9 and 10 in section 7.2 Development Phase interrogatories directed to ALT, RES, ELP, IC and UCT submitted to the Board Secretary under cover letter dated January 30, 2013), and continues to maintain that the other applicants have made serious flaws in their unrealistic assumptions for an in service date. One of the applicants, ALT, has confirmed that "*There was no direct involvement by First Nations or Métis communities in the development of the current draft Terms of Reference*".[18] These flawed assumptions pose real concerns not only about the proposed in service dates, but more importantly about

[18] ALT response to Interrogatory #2, page 57 of 68 (ALT Specific).

the lack of consideration being given by the other applicants to Aboriginal and public input into the process.

The proper approach is that being taken by CNPI. Its timing is realistic and respectful of Aboriginal and public input. CNPI's proposal is to get terms of reference reviewed and submitted prior to carrying out field work. It involves and anticipates thoughtful Aboriginal and public input. In the end, CNPI has scheduled for the time to properly carry out consultations and get EA approval, and it has set a realistic in service date of 2019. The other applicants not only risk negative reaction from Aboriginal communities, but in the end will likely have project delays and possibly cost increases resulting from their intransigence, which will push their in service dates beyond 2019.

3. Project Costs:

In order to assist the Board with its comparison of applicant costs, CNPI has prepared a total project cost comparison. By "total project cost", CNPI is referring to the sum of developments and construction costs (both with IDC and contingencies as stipulated in the filing requirements and IR #26 issued by the Board), plus a present value of future OM&A costs.

CNPI has set out a table below entitled "*Total Project Cost Comparison*" that compares the applicants' total project costs to create an "apples to apples" comparison:

Total Project Cost Comparison

COST SUMMARY ($000's)

	CNPI	ALT	RES	ELP	ICN	UCT
Development Activity (A)	23,969	18,178	21,530	23,720	45,541	22,187
Construction Activity Subtotal	400,764	454,098	341,700	406,000	419,540	341,804
IDC or AFUDC (See Note 1)	45,844	35,000	35,000	28,000	34,333	35,000
Contingency (See Note 2)	80,153	95,902	50,200	56,000	33,018	35,708
Construction Activity Total (B)	526,761	585,000	426,900	490,000	486,891	412,512
Development + Construction (A+B)	550,730	603,178	448,430	513,720	532,432	434,700
Present Value of OM&A (C) (See Note 3)	36,068	36,400	47,106	152,668	117,766	95,220
Total Project Cost (A+B+C)	586,798	639,578	495,536	666,388	650,198	529,920

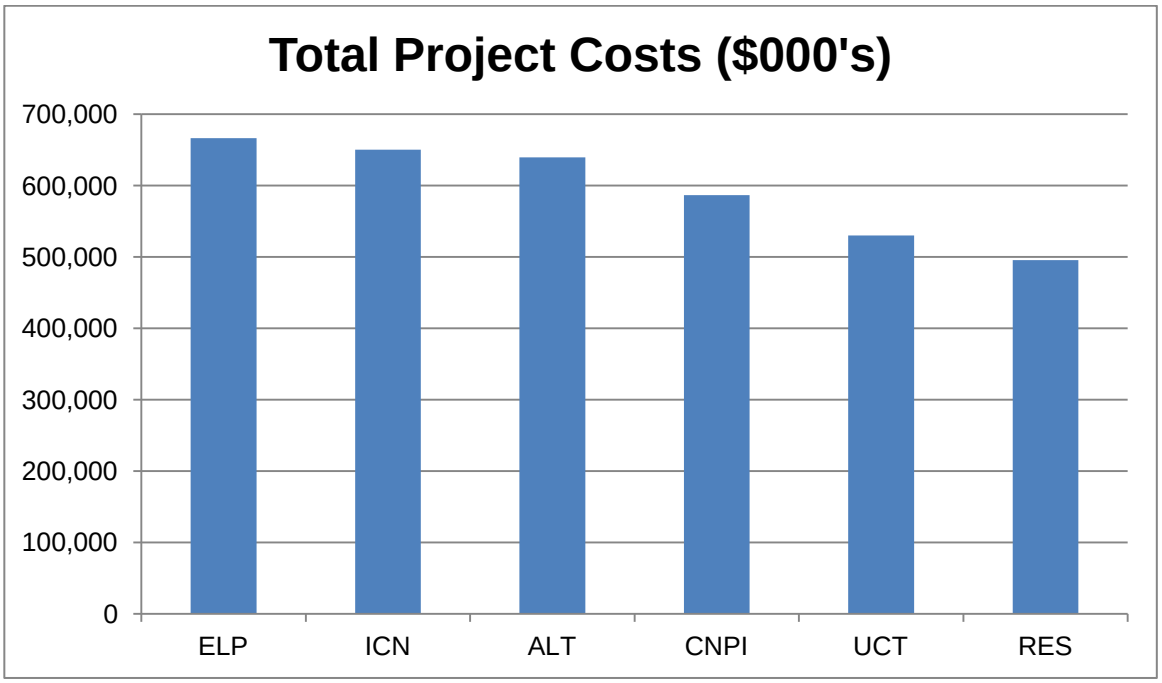
Notes:
1. IDC or AFUDC
ALP, RES and UCT did not include interest during construction estimates, as required in IR #26. CNPI used the average of the other applicants to estimate the impact of this cost and used $35 million as a placeholder for comparison.

2. Contingency
ALP did not include a contingency but rather a possible range. In order to estimate for comparison purposes, CNPI estimated the contingency to be equal to the top of ALP range (excluding the AFUDC).

3. Present Value of OM&A
CNPI used each applicant's OM&A response to IR#26, escalated the costs at 2% for inflation for each of the 50 year project life. CNPI then discounted the OM&A cash flows using the deemed weighted average cost of capital from the February 13, 2013 Board letter.

The following bar Chart #1 illustrates the applicants' total project costs, arranged from highest to lowest:

Chart #1



It is apparent from this bar chart that ELP's, ICN's and ALT's total project costs are similar and significantly higher than UCT's and RES'. CNPI's total project costs are competitive, being just below the average for all the applicants. Nevertheless, CNPI submits that the Board should conduct a deeper assessment of the applicants' project costs, rather than relying on a total project cost comparison. CNPI has set out some further issues for the Board to consider below.

I. Has the applicant made realistic cost assumptions at this stage of the project?

Developing cost estimates for the designation application requires making assumptions because of the unknowns at this stage of the process. For example, submitting more accurate cost estimates would require knowing the specific route, which can only be

determined with certainty after the completion of the EA, Aboriginal consultations and line design. As well, estimates on future commodity prices such as steel, aluminum, concrete and labour rates cannot be known as this stage.

At this stage in the designation proceeding, CNPI believes its completed level of engineering is appropriate. As noted on page 117 of CNPI's application, CNPI expects to issue two additional estimates as the scope is further refined through the EA and Section 92 (as approvals for design are issued). An engineering estimate with lower contingencies will be issued before material is ordered and construction bid.

CNPI notes that other applicants have spent significantly more speculative funds in preparation of their designation applications, but CNPI has not observed any significant differences in the conclusions presented. CNPI proposes that its team will perform in a similar manner over the life of the project, providing high quality at a lower cost relative to the other applicants. Other applicants have presented additional studies and reports as part of their plans implying a higher level of certainty than "conceptual". However, to imply engineering conclusions with the multiple unknowns involved and without the benefit of actual design is unrealistic. To do so would also indicate that a large portion of the average $22 million in development cost will not be necessary after all.

II. Does the applicant have realistic contingencies to address risks and uncertainties that are unknown?

CNPI has elected to submit the expected maximum cost to complete the project. It has done so to illustrate to the board the indicative cost of performing all of the necessary steps, in the correct order, using conservative input price estimates and full contingency. CNPI expects to refine and lower its estimates as the project moves forward. CNPI has considered double circuit construction with full width right-of-way, tight spacing on deadend structures to limit cascade failure opportunities, short average spans, and appropriate tower loadings in the conceptual estimate. CNPI expects to reduce cost as final design progresses and appropriate cost-saving opportunities are investigated, while

meeting or exceeding all design requirements. This philosophy is opposite to the some applicants that have submitted low conceptual estimates with multiple limiting criteria. ALT, UCT, and RES chose to exclude interest during construction which is a standard cost for construction projects in Ontario. UCT has also excluded certain land acquisition costs (see UCT response to IR #26 Attachment 1).

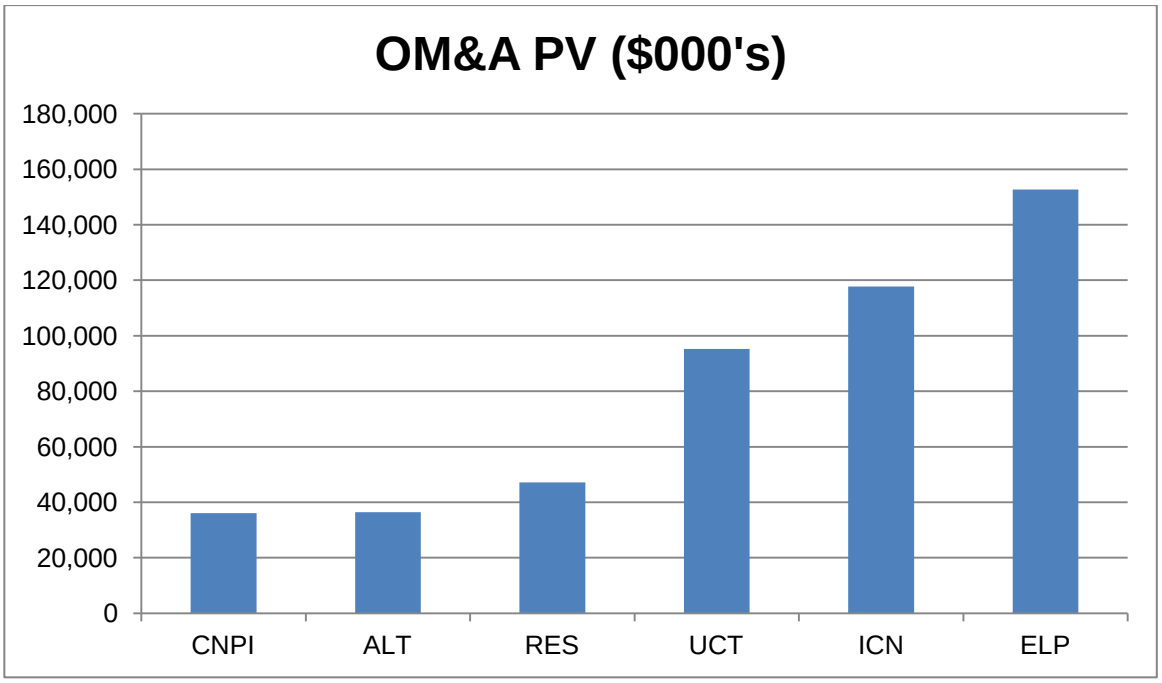
III. What are the applicants estimated OM&A Costs?

CNPI submits that greater emphasis should be placed on estimated OM&A costs over other project costs for the following reasons:

i. The present values of OM&A costs are significant, and much higher than estimated development costs (especially for ELP, UCT and ICN).
ii. OM&A cost estimates are more reliable at this stage of the project than conceptual construction costs.
iii. CNPI as an operator of transmission systems in Ontario can accurately estimate OM&A costs for the project.

The present value of the applicants' OM&A cost estimates from the Total Project Cost Comparison table above are illustrated by the following bar Chart #2 (from lowest to highest):

Chart #2



CNPI provided an OM&A cost estimate for the line in the amount of $1,684,500,[19] which calculates to a present value of approximately $36 million. CNPI's OM&A is the lowest, likely because it has an existing transmission and distribution business operating in Ontario and proposes to utilize its OEB approved cost allocation methodology for shared services in connection with the EWT assets[20]. Some of Fortis' operations are located in Northern Ontario in the immediate vicinity of the East-West Tie Project. CNPI believes that having an established utility in Ontario with operations that overlap with the EWT line allows for the sharing of some fixed costs and development of further economies of scale. With the maintenance centre at Wawa, no other applicant has the distinct advantage for the availability of personnel and equipment on the eastern side of the East-West Tie.

[19] CNPI response to Interrogatory #29 (All Applicants).
[20] CNPI response to Interrogatory #29 (All Applicants).

CNPI has estimated a lower cost than other applicants. With the wide variation in those estimates, it is probable that each applicant has a different definition of what may be required. However, CNPI believes its estimate to be complete. CNPI looked at the published HONI cost of OM&A and notes that ELP has estimated a cost for the East-West Tie that is even higher than the established HONI cost of OM&A over their entire system. A table entitled "*HONI Annual OM&A Cost per km*" is set out below.

HONI Annual OM&A Cost per km		
	HONI	ELP
OM&A	$440,300,000	7,100,000
km	29,000	400
$/km	$15,183	$17,750

CNPI would have expected to see some economy of scale, not an increase. CNPI believes that the high cost of OM&A may be an indicator that competition in Ontario is entirely appropriate.

In conclusion on the topic of project costs, CNPI submits that its projected costs are the most desirable for the following reasons:

- CNPI's total project costs are neither troublingly high nor suspiciously low;
- it put forward maximum cost estimates with the expectation of reducing costs as the project moves from the conceptual phase to the design phase (i.e. as opposed to providing unrealistically competitive costs that will likely increase in the design phase); and
- the present value of CNPI's OM&A cost estimate, which is based on experience and represents a significant portion of the total project cost, is the lowest.

4. Project Schedule:

The in service dates proposed by the applicants in their applications are set out in the following table entitled "*Proposed In Service Dates*":

Proposed In Service Dates

CNPI	RES	ALT	ELP	ICN	UCT
Dec. 2019	Dec. 2018	Nov. 2018	Nov. 2018	Oct. 2018	Dec. 2017

CNPI submits that the EA process, if not conducted properly, can adversely impact an applicant's project schedule (and costs) by delaying or even stopping development activities. CNPI is concerned that the proposed in service dates of the other applicants (RES, ALT, ELP, ICN and UCT) are unrealistic for reasons related to their time estimates for the EA process. Furthermore, the reduced schedules proposed by others may result in poor quality EA work and risk approval/schedule delays.

Schedule for EA Development Work:

CNPI's concerns are summarized by the following table entitled "*East-West Tie Development Phase – EA and Scheduling Table*", and is followed by a discussion of the key components in the table.

1

EAST-WEST TIE DEVELOPMENT PHASE – EA AND SCHEDULING TABLE								
Applicant Name		**CNPI**	**ALT**	**RES**	**ELP**	**ICN**	**UCT**	**Typical MOE, EA Requirements[21]**
1	Proposed EA submission dates	Sept. 2016	Sept 2014	Jan 2016	Apr. 2016	Aug. 2015	Oct. 2014	
2	Proposed EA Approval Granted by MOE	Jun. 2017[22]	Jul. 2015 [23]	Aug. 2016 [24]	Nov. 2016[25]	Dec. 2015[26]	Aug. 2015[27]	28.5 to 43.5 months[28]
3	Pass /Fail - Proposed Schedule of Applicants compared against MOE Typical Requirements (assumes OEB Designation June 1, 2013)[29]	Pass	Fail	Pass	Pass	Pass	Fail	If from a start time of June 1, 2013, EA approval takes (minimum time) 28.5 months- critical approval date would be Oct. 2015
4	Pass /Fail - Proposed Schedule of Applicants compared against MOE Typical Requirements (assuming OEB Designation June 1, 2013.	Pass	Fail	Fail	Fail	Fail	Fail	If from a start time of June 1, 2013, EA approval takes 43.5 months- approval date would be Jan. 2017
5	Additional Time allowance for Government Review of EA submissions[30]	Yes	No	No	No	No	No	N/A
6	Time allowance (in months) to prepare Terms of Reference (ToR)[31]	12	3	12	11	7	4.5	6 to 9
7	Approval time (in months) estimated for ToR approval by MOE[32]	6	3	3	3	4	4.5	3
8	Additional time in included schedule for Consultations	Yes	No	No	No	No	No	Encouraged
9	Does EA work start before ToR submission	No	Yes	Yes	Yes	Yes	Yes	MOE guidance indicates EA work should not start before ToR completion[33] (see footnote ref. #1)
10	Time allowance for additional seasons field studies	Yes	No	No	No	No	No	Prudent to include

[21] MOE, 2009, Code of Practice – Preparing and Reviewing Terms of Reference for Environmental Assessments in Ontario, Pg.8, and MOE, 2009. Code of Practice – Preparing and Reviewing Environmental Assessments in Ontario, Pg.13 and Pg. 36.
[22] CNPI: Appendix S, Pg.849 of 897.
[23] ALT: Appendix 16, Pg.2 (or Pg. 632 of 635).
[24] RES: TAB N-1-2, Pg. 1-5 of 37 (or Pg. 76-80 of 492 in "Ex_MtoP" document).
[25] ELP: Part B, Exhibit 7, Pg. 154 of 231 in Part 2 document; Part B, Exhibit 7, Appendix 7A, Pg. 193 of 231 in Part 2 document; and Part B, Exhibit 7, Appendix 7C, Pg.197 of 231 in Part 2 document
[26] ICN: Section 7, Appendix B, Pg.144 of 914.
[27] UCT: Appendix 15, Pg. 1 (or Pg. 1070 of 1098).
[28] A total time of 28.5 to 43.5 months typical for EA approval (with no mediation or tribunal) (see also footnote ref.#1).
[29] Bruce to Milton Transmission Line Actual time took 63 Months.
[30] Government review times are specified under O.Reg. 616/98.
[31] Bruce to Milton Transmission Line took over 10 months (including 3 amendments time).
[32] Bruce to Milton Transmission Line took 8 months after initial submission (including time for 3 amendments).
[33] EA field work not required prior to ToR approval (reference also made to make sure a preferred alternative is not selected prior to commencement of EA).

Note: Red indicates failing grade or applicant does not meet requirements.

CNPI submits that the other applicants' schedules, proposed EA initiation and approval time estimates do not account for adequate approval and government review wait times. CNPI has included the appropriate time in its schedule in accordance with government legislative requirements, guidance documents and standards. Rows 1 and 2 in the EA and Scheduling Table show the proposed EA submission and approval dates for each applicant. Pass/Fail scores were assigned for those who met or exceeded the Ministry of Environment ("MOE") typical schedules. Row 3 shows whether the applicants have proposes dates that meet or pass the MOE's minimum schedules for production of a typical EA. Two applicants ALT and UCT have proposed schedules that would not even meet (described as "Fail" in the EA and Scheduling Table) the minimum MOE time for production of a typical EA. As shown in Row 4 of the EA and Scheduling Table, only CNPI has proposed a schedule that meets (described as "Pass" in the EA and Scheduling Table) the MOE's expected scheduled time for production of an EA of this magnitude in Ontario. The Bruce to Milton example discussed below demonstrates that CNPI's schedule is the most reasonable. The CNPI team also provided for appropriate extended allowance for government review times (which often happens in projects of this size), as shown in row 5 of the EA and Scheduling Table. Given the nature and complexity of this project, CNPI submits that its development schedule is the most realistic.

CNPI submits that the Bruce to Milton Transmission Line Expansion described in ELP's application is probably an appropriate example of a recent transmission line EA in Southern Ontario. That project took 63 months (5.25 years) to complete from the EA notice of commencement to the in service date. It should be noted for comparison purposes that the EWT Project involves a transmission route that is more than twice as long as the Bruce to Milton project, with considerably more Aboriginal communities affected, as well as much more difficult access and climatic constraints. CNPI's schedule in its application proposed starting the EA process in March 2013 based on the assumption that designation would occur late in February 2013. CNPI's schedule has enough time built into it to accommodate OEB designation in June 2013. This would translate to 6.5 years with an in service date of December 2019. This is only 15 months

longer than the Bruce to Milton project for a project twice the size and arguably one that is much more difficult to undertake.

EA Terms of Reference:

The first step in the EA process involves development of a Terms of Reference ("ToR"). The Ontario Environmental Assessment Act (the "EA Act"), section 6.1(1) requires that that the EA be prepared in accordance with an approved ToR. Section 5.1 of the EA Act states, that consultation with "such persons as may be interested" should take place during the preparation of the formal ToR. Section 6.0(3) further requires a proponent to describe this consultation and its results in a "Record of Consultation" for the ToR. The development of the ToR does not start until formal notice to the public and Aboriginal communities has been provided. This important document must specifically identify the detailed consultation plans and nature of environmental impact and field studies among other matters that will follow. As a matter of law, it must also include the requirements of Section 6.1(2) for the consideration of alternatives, including alternative transmission routes. Rows 6 to 8 compare applicants proposed schedules to MOE typical schedules.

As indicated in Row 9 of the EA and Scheduling Table, all of the applicants other than CNPI (ALT, UCT, RES, ICN and ELP) propose to start natural heritage, archeological and other field work on a preselected route (or routes) in advance of ToR formal submission or before the ToR document is approved. This presents potentially serious limitations and implications on how interested parties will view this most important first step in the approvals process and their rights to have their voices heard during the development phase approvals process. The applicants who are proposing to start work prior to ToR approval by MOE could have schedule and work adjustments should the approved ToR requirements be different from those submitted. CNPI has proposed a schedule that allows time for proper ToR development, consultation and approval prior to starting its EA field work - all in accordance with MOE requirements.

Further, both ALT and UCT have identified only one route and no alternatives. CNPI questions how these applicants will manage requests for consideration of alternatives

during the ToR development without either scheduling or cost revisions. Furthermore, CNPI does not believe that these applicants can satisfy the anticipated Aboriginal and public comments on alternative routes and the requirements under the EA Act to consider alternatives as required under section 6.1(2).

Local and Aboriginal communities can justifiably be expected to react negatively when important alternatives (particularly alternative routes and many other environmental requirements of the EA process) have already been assumed to be fixed and limited by many of the applicants. A strong negative reaction can be expected if the proposed route or studies are limited with respect to issues that are of concern to interested parties. As a result, both the project schedule and even its approval potential can be negatively affected. The above issues could potentially lead to legal or other delaying challenges later – and claims of a flawed planning process under the EA Act.

Furthermore, consultation is a critical element to the success of an EA and any project of this magnitude. Where a consultation team has not been identified such as is the case with ICN, we submit that the OEB should factor the associated risks into its designation assessment.

Field Work:

CNPI believes that the OEB should also carefully consider the EA technical field work schedule of the other teams. Minimum field work covering a full year is expected to be a requirement by the Ministry of Natural Resources ("MNR") and other agencies. Spring is one of the critical seasons for work and if competitor's schedule misses this season the work will have to be completed in the next year. MNR has been very firm on this point in experience with a number of recent projects. Also, if environmental constraints are found during this work that necessitate route re-examination or examination of a different route to avoid the environmental factor of concern, as indicated in row 10 of the EA Table, the schedules of the other applicants do not provide any time for this work prior to EA submission. The CNPI submission provides additional time to accommodate adaptive field work and allows for:

- Delays in OEB selection of the designated applicant;
- Agency, Public and Aboriginal consultation on the field program;
- Appropriate timing for field studies (i.e. spring/summer/winter);
- Possible change or amendment to the preferred route as the project and consultation progresses; and,
- Unanticipated findings in the field which may necessitate route refinement and/or further field study.

The other applicants have not allowed for the required flexibility to accommodate these anticipated scenarios in their field work schedule.

In conclusion on the topic of scheduling, the consensus among the applicants seems to be that construction requires two years. Less agreement exists among the applicants with the proposed development schedule. CNPI submits that as long as four years will be

required to complete all consultations, field studies, and approvals. CNPI suggests that the in service date submitted in its application is the most likely, despite not being the most ambitious. CNPI would expect to meet or improve on its in service date, as compared to other applicants who will likely request change orders to extend the dates. In order to provide an expedited in service date, the other applicants have put detailed route field work before approval of the ToR. This has serious implications for the required Aboriginal and public consultations. In doing so, the other applicants are creating an impression that they do not take the EA approvals and consultation process seriously, thereby raising question as to how Aboriginal concerns that may be expressed during the development planning process will be received by the applicants. We submit that quality of the EA work is important not only to the project schedule, but to the potential for project approval and is one of the important keys to a successful project.

5. Project Design:

Paragraph 6.3 of the Filing Guidelines requires an affidavit from the applicant confirming that:

"...the line will be designed to meet or exceed the Board's Minimum Technical Requirements; or documentation of where the applicant seeks to differ from the Minimum Technical Requirements and evidence as to the equivalence or superiority of the proposed alternative option."

On its face, this filing requirement serves the purpose of ensuring design proposals either meet the Board's Minimum Technical Requirements, or are equivalent or superior from a reliability perspective. It is not an option to propose a design that: (i) does not meet the Board's Minimum Technical Requirements; or (ii) is less reliable, even if the proposed design may be less expensive.

ELP concluded that only 40 meters of right of way is appropriate,[34] as compared to the minimum criteria of 50 meters, which was specifically described in the criteria as "for comparison".[35] ELP describes its reference option as "essentially compliant with the Board's minimum technical requirements".[36] CNPI submits that because ELP's proposal fails to meet the Board's Minimum Technical Requirements, it should be disregarded. It would be extremely unfair for the Board to consider design proposals that are not compliant with the Board's own requirements set out in its Phase 1 Decision and Order.

Further, CNPI submits that single circuit alternatives (ELP, RES) that are not supported by evidence of equivalent or superior reliability should be disregarded. Neither ELP nor RES provided supporting evidence of equivalent or superior reliability. In fact, ELP has indicated that the single circuit alternative is less reliable than the double circuit

[34] ELP's Application, page 5 of 231
[35] Appendix A, Minimum Design Criteria, November 9, 2011, page 14 of 16.
[36] ELP's Application, page 14 of 231, line 9

alternative.[37] If the OEB had wanted applicants to propose alternatives that sacrifice reliability for cost or other system performance variables, it would have suggested this in its Filing Requirements. The single circuit option is not equivalent or superior, it is cheaper. As such, CNPI submits that all single circuit options should be disregarded.

[37] ELP Application, page 16 of 231, line 14.

C. OTHER FACTORS

- ***Ontario Based Solution.*** Most applicants have submitted East-West Tie proposals based largely on technical/management support and significant ownership from out of Canada (Isolux – ICN, NextEra – UCT, RES) and/or out of province (ALT). CNPI's Canadian proposal is an Ontario based transmission solution with its management and technical teams based primarily in Ontario. In addition, CNPI has available line crews and service centres located in the vicinity of the East-West Tie.

- ***Organizational Capability.*** The other applicants have very loose organizational charts proposed for the East-West Tie Project with functional departments identified but little or no Ontario personnel committed to the project (ALT teams is Calgary based, RES has a single functional organizational chart for all three phases with only eight high level positions filled, ELP has numerous unfilled positions in the construction and operations phases, ICN has no O&M chart, and UCT uses the same team for all three phases, and has not identified operations and maintenance personnel)[38]. CNPI does not have that issue and has identified the qualified personnel and organizational charts for the project development and construction phases, as well as for the operation and maintenance phase.

- ***Joint Developer Risks.*** Other applicants (ELP, RES, ICN and UCT) represent joint developers that present issues regarding the allocation of risk between them at all stages of the project. This can create duplication of costs, governance challenges which can translate into project execution and completion risk with associated costs to rate payers. For example, if the project encounters material overages are all owners jointly and severally liable? As a sole developer/operator, CNPI does not have this issue and does not present this type of risk to rate payers.

[38] Applicants' responses to Interrogatory #1 (All Applicants)

- ***Guyed Structures Risks.*** Other applicants (ELP and UCT) are proposing guyed structures in proximity to an existing right-of-way known by the public to have unguyed structure. Guyed wire structures present public safety risks resulting from the public coming into contact with the guyed wires. Experience in Northern Ontario indicates that transmission right-of-ways are popular paths for use by the public and specifically Aboriginal communities for many activities including all-terrain vehicles. CNPI is proposing steel lattice towers which do not present this public safety risk. An added benefit is that steel towers are much less likely to experience cascade failure than guyed structures.

- ***Environmental Assessment ("EA") Credibility.*** The other applicants (ALT, RES, ELP, ICN, and UCT) have estimated shortened schedules and in service dates. These applicants have not estimated adequate EA approval and review wait times. In addition, they have proposed work on EA components in advance of Terms of Reference submission or approval. Further, their schedules do not provide sufficient time for Aboriginal and public input including the environmental studies required in the planning process. These flaws pose credibility concerns for all of the other applicants and potentially jeopardize their ability to obtain project development approval under EA. CNPI has scheduled adequate time frames for EA studies, approval and review, including Aboriginal community and public input.

  CNPI submits that its proposed team has strong Ontario, and in particular, Northern Ontario experience working with key stakeholders and First Nations in the project area.

- ***Cost of Preparing the Designation Application.*** Other applicants have spent and/or plan to spend exorbitant amounts in excess of $ 1 million (ALT $1.6 million[39],ELP $1.5 million, ICN $1.5 million, RES $1.5 million, UCT $1.4 million) to

[39] ALT response to Interrogatory #8 (ALT Specific)

prepare their applications and complete the designation process[40]. ALT initially failed to provide this information and did not respond to this filing requirement in its application. These applicants have delivered similar engineering design, development and construction, operations and maintenance, regulatory, and environmental approval project plans to CNPI's plan along with similar qualifications. CNPI has concerns that rate payers will bear the costs of these excessive expenditures (either directly or indirectly), regardless of the claims by certain applicants (ALT, RES, ELP and UCT) that they will not seek recovery. CNPI has been the most fiscally prudent in the designation proceeding with respect to expenditures (spending approximately $300,000 for the designation application and proceeding), and has achieved the same or better quality of application. CNPI has demonstrated a cost management discipline that the other applicants have not, and which CNPI proposes to follow for the remainder of the East-West Tie Project.

- ***Alternate Rate Structures.*** Other applicants (UCT, ALT, and RES) have raised the notion of alternate rate structures; however, their proposals raise further questions and uncertainties about the review/settlement processes and/or specifics. For example, UCT has tabled a form of performance rate making construct. Despite the Board's attempt to clarify the proposal by way of interrogatory, the concept remains nebulous at best.[41] CNPI submits that these proposals ought not to be included in the Board's consideration of the applications.

[40] Section 8.1 of the Applications.
[41] UCT Interrogatory response to Interrogatory #11 (UCT Specific)

D. CONCLUSION

For the reasons set out herein, CNPI submits that it should be designated to develop the East-West Tie Project. To summarize:

- CNPI's Aboriginal equity participation proposal is the strongest;
- all of the other applicants have proposed or started EA field work before submission of environmental ToR, which implies a lack of respect for the Aboriginal consultation process;
- CNPI's estimated project costs are the most desirable for the following reasons:
  - CNPI's total project costs are neither troublingly high nor suspiciously low;
  - CNPI's has submitted the lowest OM&A estimate, which represents a significant portion of total project cost over the 50 year life of the line. OM&A is more reliably estimated at this stage of the project than are construction costs;
  - Because of multiple unknowns in the construction costs at this stage, CNPI put forward maximum construction cost estimates with the expectation of reducing costs as the project moves to the design phase (i.e., as opposed to providing unrealistically competitive costs that will likely increase in the design phase). As construction cost estimates are reduced through design, the CNPI total project cost becomes even more competitive.
- CNPI's project schedule is the most realistic because it involves meaningful consultations before ToR are developed.

Furthermore,

- CNPI is an established, reliable, respected utility in Ontario;
- CNPI’s organizational teams for the East-West Tie Project development, construction, and operation and maintenance are the most comprehensive and qualified.
- CNPI and its parent company Fortis have the necessary regulatory, legal, and financial capacity for the project;

- CNPI has established the necessary Aboriginal trust, procedures, and staff making it most likely to be successful;
- CNPI understands the engineering and construction issues that will lead to a cost effective, reliable design;
- As CNPI owns 0.3% of the pooled transmission assets in Ontario, its designation would facilitate the Minister's goal of supporting competition in transmission in Ontario;[42] and
- CNPI has a regulatory track record and experience in Ontario.

[42] Minister's letter to the Board dated March 29, 2011.