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BY E-MAIL

March 26, 2014

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON.
M4P 1E4

Dear Ms. Walli:

**Re: Board Staff Interrogatories
Rainy River Resources Ltd.
Application for Leave to Construct Transmission Facilities
Board File No. EB-2014-0014**

Pursuant to Procedural Order No. 1 dated March 10, 2014, please find enclosed Board Staff's interrogatories to the Applicant in this proceeding.

Yours truly,

Original signed by

Robert Caputo
Project Advisor, Applications

c. All Parties in EB-2014-0014

Encl.

March 26, 2014

BOARD STAFF INTERROGATORIES

RAINY RIVER RESOURCES LTD: APPLICATION FOR LEAVE TO CONSTRUCT TRANSMISSION FACILITIES TO CONNECT A MINE OPERATION TO THE ONTARIO TRANSMISSION SYSTEM EB-2014-0014

ENVIRONMENTAL ASSESSMENT

Provincial Environmental Assessment

Interrogatory 1

References:

(1) *Exh. B, Tab 6, Sch. 1, p. 1-2*

The above-noted reference states that:

- the proposed transmission line and associated facilities (“Transmission Line Project”) are not associated with a generation facility and is therefore considered a Category B Project which requires Rainy River Resources Ltd. (“RRR”) to follow the process under Ontario Hydro’s (now Hydro One) *Class Environmental Assessment for Minor Transmission Line Facilities*.
- RRR entered into a Voluntary Agreement with the Ontario Ministry of the Environment (MOE) on May 4, 2012, to conduct a Provincial Individual EA for the generation project (“Rainy River Project”) that will meet the requirements of the Ontario Environmental Assessment Act. The MOE approved the Terms of Reference (“ToR”) for the EA process on May 15, 2013.
- In accordance with the approved ToR, RRR has completed the draft EA which was made available for comment on July 19 2013 for a 30-day period.

Questions / Requests

- (a) Please provide an update on the status of the EA process for the Transmission Line Project. When is the process expected to be completed? Please provide confirmation of approval/completion of process when available.
- (b) Please provide an update on the status of the EA for the Rainy River Project. When is approval of the EA expected?

Federal Environmental Assessment**Interrogatory 2**

References:

- (1) Exh. A, Tab 3, Sch. 1, p. 2-3

The above-noted reference states that the Canadian Environmental Assessment Agency ("CEA Agency") confirmed that a Federal EA was required for the Rainy River Project.

Questions / Requests

- (a) Please provide an update on the status of the Federal EA for the Rainy River Project. When is approval of the EA expected?

LAND - RELATED MATTERS & OTHER APPROVALS**Interrogatory 3**

References:

- (1) Exh. B, Tab 6, Sch. 4
- (2) Letter from Ministry of Transportation dated March 13, 2014

Reference (1) states that RRR:

- will require temporary and permanent easements in respect of the proposed transmission facilities from the landowners.

- has not received any comment indicating an opposition to the proposed transmission facilities or refusal from the landowners and hopes to conclude negotiations with each over next 6 to 9 months. RRR will update the Board regarding negotiations during the course of the proceeding.
- has offered or will offer to each landowner the form of easement provided in Exhibit B, Tab 6, Schedule 5 in its negotiations with landowners where it requires easement rights to complete the Rainy River Powerline Project.

Reference (2) states that authority to cross Highway 71 is granted by the Ontario Ministry of Transportation upon application for an Encroachment Permit.

Questions / Requests

- (a) Please provide an update on the status of negotiations with landowners where RRR requires property rights for its proposed transmission facilities.
- (b) Has each of the affected landowners now been presented with the form of agreement? If not, when does RRR intend to do this by?
- (c) Please provide the status of any discussions/negotiations with the Ministry of Transportation with respect to the crossing of Highway 71.
- (d) Please provide a list of all outstanding approvals and permits needed to complete construction of the proposed facilities, including the status and expected dates for obtaining such approvals and permits.

TRANSMISSION RATE IMPACT ASSESSMENT

Interrogatory 4

Reference: Exh. B, Tab 4, Sch. 1, p. 1

The above-noted reference states that RRR is not a rate regulated utility and intends to finance, construct, own and operate the proposed transmission facilities.

Questions / Requests

- (a) Please confirm that the Applicant will be responsible for the total cost of the facilities proposed in this application including any modifications required on the HONI transmission system needed to accommodate the proposed facilities.
- (b) For any costs in (a) not payable by the Applicant, please describe the facilities/work required, costs of these and cost responsibility including any ongoing operation and maintenance costs.

**SYSTEM IMPACT ASSESSMENT (SIA) AND
CUSTOMER IMPACT ASSESSMENT (CIA)****Interrogatory 5***References:*

- (1) *Exh. A, Tab 3, Sch. 1, p. 4*
- (2) *Exh. B, Tab 6, Sch. 2, System Impact Assessment Report, CAA ID:2013-502, dated December 17, 2013.*

Based on the above-noted references:

- the IESO has completed a SIA filed at Exhibit B, Tab 6, Schedule 2;
- RRR has requested that Hydro One complete a CIA and that the CIA will be filed as evidence when available;
- the SIA concluded that “ the proposed connection of the project, operating up to 57 MW and subject to the requirements specified in this report, is expected to have no material adverse impact on the reliability of the integrated power system. Therefore, the IESO recommends that a Notification of Conditional Approval for Connection be issued for the Rainy River Gold project subject to the implementation of the requirements outlined in this report.”

Questions / Requests

- (a) Does RRR plan to implement all of the IESO's connection requirements contained in the SIA report and any further updates to this document?

- (b) Please file a copy of the IESO's Notification of Conditional Approval for Connection for this project.
- (c) Please provide verification that Hydro One Networks Inc. intends to carry out the transmitter requirements outlined in the SIA report, amended SIA or addendum report and any further updates to these documents.
- (d) What is the status of the CIA for this project? Please file a copy of the CIA report as soon as it is available.
- (e) Does the Applicant plan to implement all of the connection requirements in the expected CIA report and any further updates to this document?
- (f) Please provide verification that Hydro One Networks Inc. intends to carry out any transmitter requirements outlined in the expected CIA report and any further updates to this document.

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