

**Hydro One Networks Inc.**

7<sup>th</sup> Floor South Tower  
483 Bay Street  
Toronto, ON, M5G 2P5  
www.HydroOne.com

Tel: 416-345-5721  
Fax: 416-345-5866  
Cell: 905-399-5721  
Jeffrey.Smith@HydroOne.com

**Jeffrey Smith**

Director, Regulatory Finance  
Regulatory Affairs



BY COURIER

March 31, 2014

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

Dear Ms. Walli:

**EB-2013-0203 - Niagara Region Wind Corp S92 – Hydro One Networks Inc. Submission**

In response to the Board's Procedural Order No.3 issued March 14, 2014, please find attached Hydro One Networks' submission regarding an application by Niagara Region Wind Corporation for an order or orders granting leave to construct transmission facilities in the townships of West Lincoln, Lincoln, Wainfleet, the Niagara Region and Haldimand County.

An electronic copy of the submission has been filed using the Board's Regulatory Electronic Submission System.

Sincerely,

ORIGINAL SIGNED BY JEFFREY SMITH

Jeffrey Smith

c. Parties to EB-2013-0203 (electronic only)

## HYDRO ONE NETWORKS INC.'S SUBMISSION

### 1.0 BACKGROUND

Niagara Region Wind Corporation ("NRWC") filed an application with the Ontario Energy Board (the "Board"), dated May 7, 2013 under sections 92, 96(2) and 97 of *the Ontario Energy Board Act*, 1998, S.O. 1998, c.15, Schedule B ("*the Act*"). The Applicant has applied for an order of the Board granting leave to construct an electricity transmission line and related facilities (the "Transmission Facilities") to connect the Niagara Region Wind Project ("NRWP") to the IESO-controlled grid, and for an order approving the forms of agreements that have been or will be offered to affected landowners. Pursuant to the Board's Notice of the Application, Hydro One Networks' Distribution Business ("Networks") filed an intervention request letter with the Board on August 27, 2013. Subsequently, in the Board's Procedural Order #1, the Board granted intervenor status to Networks.

Networks, as a distributor, is obliged by legislation (*the Electricity Act*, 1998) to connect and serve customers in its service area, while meeting certain requirements respecting service quality, reliability and cost. Networks must meet these and other obligations even when their customers reside on the other side of the road behind high-voltage transmission lines. The increasing need of electricity 'generator-transmitters' and distributors to share the same rights of way, therefore, also implies the need to share certain responsibilities and incremental costs fairly.

The proposed transmission facilities will result in a number of cross-overs with Networks' distribution facilities, for which the existence of two entities with electricity infrastructure on adjacent rights of way introduces new considerations to ensure safe, reliable and economic provision of customer service and supply. These considerations include but are not limited to:

- response times for trouble calls,
- protocols for emergency service coordination,
- asset placement and clearance standards,
- access to infrastructure and to customers,
- general coordination of operations, and

- information provision and exchange between the parties.

Technical and operational measures to address these issues in an economic manner must be developed and the appropriate cost sharing for these measures needs to be settled.

#### 1.1 Legislative Context and the Board's Jurisdiction

The Application has been made under s. 92(1) of *the Act* for an order of the Board for leave to construct the proposed transmission facilities.

The Board's jurisdiction to consider issues in a section 92 leave to construct case is limited by subsection 96(2) of *the Act* which states:

*(2) In an application under section 92, the Board shall only consider the following when, under subsection (1), it considers whether the construction, expansion or reinforcement of the electricity transmission line or electricity distribution line, or the making of the interconnection, is in the public interest:*

*1. The interests of consumers with respect to prices and the reliability and quality of electricity service.*

*2. Where applicable and in a manner consistent with the policies of the Government of Ontario, the promotion of the use of renewable energy sources.*

As stipulated in section 96(2) of *the Act* above, the Board's jurisdiction under section 92 extends to not only transmission, but also distribution with respect to prices, and the reliability and quality of electricity service. Also, the Board notes, in its previous Decision respecting the Grand Renewable Wind LP ("GRWLP") Application for Leave to Construct (EB-2011-0063), that *the Act* does not specifically limit the section 96(2) considerations to the transmission system or the customers thereof; as such, the consideration of prices, reliability and quality of electricity

1 service can include consideration of impacts on neighbouring transmission and distribution  
2 electricity systems and the customers connected to them<sup>1</sup>.

3 In addition, in the Board's Decision respecting the Summerhaven Wind LP Application (EB-  
4 2011-0027, page 4), the Board notes that it is within the Board's jurisdiction to review any  
5 potential negative impacts of the proposed transmission facilities on a distributor and, by  
6 extension, on its respective ratepayers.<sup>2</sup> As the Board uses the phrase, 'any potential negative  
7 impacts', in the Summerhaven Decision, it implies, by its own use of the word 'potential', the  
8 consideration of both current and future direct impacts of the proposed transmission facilities on  
9 a distributor and its ratepayers.

10 To address the above, Networks has been and is currently working with NRWC to resolve or  
11 mitigate the issues through an agreement between the parties. Yet, the parties have not been able  
12 to reach an agreement at this time.

## 14 **2.0 SUBMISSION**

16 Networks is optimistic that a mutual agreement will be reached between the parties. However, as  
17 Networks must protect its customers affected by the proposed transmission facilities, Networks  
18 respectfully requests, for the aforementioned reasons, the Board to include in its Conditions of  
19 Approval the filing in confidence of a signed agreement between the two parties no later than the  
20 construction commencement of the proposed facilities. Alternatively, the Board may choose to  
21 defer its Decision on this proceeding until it has been notified that an agreement between the two  
22 parties has been reached, similar to the Board's Decision (EB-2012-0442) in the Leave to  
23 Construct Application by Varna Wind, Inc.<sup>3</sup>

---

<sup>1</sup> "The Act does not specifically limit the section 96(2) considerations to the transmission system or the customers thereof. The Board therefore finds that the consideration of prices, reliability and quality of electricity service can include consideration of impacts on neighbouring transmission and distribution electricity systems and the customers connected to them." GWRLP Decision (Page 7 of the Decision EB-2011-0063).

<sup>2</sup> "The Board finds that it is within the Board's jurisdiction to review any potential negative impacts of the Applicant's proposed Transmission Facilities on HCHI's distribution system and on HCHI's customers" (Page 4 of the Summerhaven Decision, EB-2011-0027).

<sup>3</sup> "The Board has decided to defer its decision on this application until such time that the above noted negotiations have progressed and agreements, if any, are achieved with the respective parties. The Board has therefore decided to give the Applicant and the three parties noted above an opportunity to resolve these matters, failing which the Board will address these in its decision," (Letter from Ontario Energy Board, to Varna Wind Inc., respecting Board File No. EB-2012-0442, dated June 28, 2013).