

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

AND IN THE MATTER OF an application by Hydro One Networks Inc. for an order or orders pursuant to section 92 of the *Ontario Energy Board Act, 1998* (as amended) granting leave to construct transmission line facilities in the Windsor-Essex Region, Ontario.

Board staff Submission

Introduction:

These submissions are in response to Procedural Order No. 2, dated July 22, 2014 in which the Ontario Energy Board (the “Board”) requested the parties to provide submissions on a threshold issue relating to approvals under section 92 of the Ontario Energy Board Act (the “Act”). Specifically, the Board requested submissions on, “...*what transmission facilities fall under the scope of section 92 of the Act and for which an applicant must seek leave of the Board to construct, expand or reinforce*”. The Board also invited Hydro One Networks Inc. (“Hydro One”) to clarify its position with respect to the approvals that it is seeking in the application.

Background:

Hydro One has applied to the Board for an order granting leave to construct 13 kilometers of transmission line and to install optical ground wire (“OPGW”) on existing and new towers as part of the Supply to Essex County Transmission Reinforcement (“SECTR”) project. The Application was filed under section 92 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, Schedule B (the “Act”).

Hydro One states that the SECTR project includes the following facilities and work:

- i. construction of approximately 13 kilometers of new 230 kV double-circuit transmission line on steel lattice towers on a new right-of-way;
- ii. installation of OPGW on new and existing towers; and

- iii. building of a new 230/27.6 kV Leamington Transformer Station ("Leamington TS").

As noted in Procedural Order No. 2, the threshold issue arises in part because in the current application Hydro One is seeking Board approval under section 92 of the Act for the construction of the proposed transmission line and installation of OPGW, but not for the construction of the Leamington TS. The Leamington TS is part of the SECTR project and is proposed to be built in conjunction with the line work.

Submissions

The Board's power to grant an applicant leave to construct electricity facilities is set out in subsection 92 (1) of the Act which requires that transmitters and distributors obtain leave of the Board for the construction, expansion, or reinforcement of electricity transmission and distribution lines or interconnections. Specifically, subsection 92 (1) states:

*92 (1) No person shall construct, expand or reinforce an **electricity transmission line** or an electricity distribution line or make an interconnection without first obtaining from the Board an order granting leave to construct, expand or reinforce such line or interconnection. [Emphasis Added]*

However certain exemptions apply as stated in section 6.2(1)(d) of Ontario Regulation 161/99 which specifies that the requirement to seek Board approval under subsection 92(1) applies only to transmission lines greater than 2 kilometres in length.

In answering the Board's threshold question as to what transmission facilities fall under the scope of subsection 92(1) of the Act, Board staff is guided by the definition of "transmission line" in section 89 of the Act, which states:

"...transmission line means a line, transformers, plant or equipment used for conveying electricity at voltages higher than 50 kilovolts".

Therefore in staffs view, approval under subsection 92(1) is required when the construction, expansion and reinforcement involves transmission lines greater than 2km, transformers, plant and equipment used for conveying electricity above 50 kV, as stated in section 89.

The proposal in this application is to construct a 13 km transmission line and related facilities and in staff's view the above referenced exemption under O/Reg.161/99 does not apply. Staff's view on the matter is that the Leamington TS is an integral part of the

SECTR project and based on the definition in section 89, Board approval under subsection 92(1) for the construction of the Leamington TS is required. Staff hopes that Hydro One will clarify its position on why approval for Leamington TS is not being sought.

With respect to the installation of OPGW, staff understands OPGW to be a type of dual function cable that is commonly used in the construction of electricity transmission lines and is strung along the top of transmission towers. OPGW performs the dual functions of grounding and communications. The steel stranded part of the cable serves to shield the high-voltage conductors from lightning strikes, while the optical fibers within the cable are used for high-speed transmission of data for the purposes of protection and control of the transmission line. In the current application Hydro One states that the installation of OPGW is needed for “system telecommunications”, which staff assumes to mean for the purposes of protection and control of the transmission line as well as a possible communication channel for Hydro One field staff. Provided that staff’s assumption regarding the intended purpose for the OPGW is correct, staff submits that the installation of OPGW is integral to the operation of the proposed transmission line and therefore qualifies as “*equipment used for the conveying of electricity at voltages higher than 50 kilovolts*” under section 89 and is therefore subject to section 92 approval.

Although not a proposal in the current application (and therefore staff assumes that it is not an intent/objective of the SECTR project), any additional band-width that exists within the OPGW and that is not being used by Hydro One for the operation of the transmission line may be leased to third parties for high-speed communications purposes.

Given that the OPGW may be used in the future for purposes other than the operation of the transmission line, staff submits that if the Board decides to grant Hydro One’s request, that it qualify its approval for the installation of OPGW, as pertaining to the operation of the proposed transmission line and facilities as describe in the application and which is consistent with the scope of the Board’s review in section 92 application.

All of which is respectfully submitted