

Hydro One Networks Inc.

7th Floor, South Tower
483 Bay Street
Toronto, Ontario M5G 2P5
www.HydroOne.com

Tel: (416) 345-5700
Fax: (416) 345-5870
Cell: (416) 258-9383
Susan.E.Frank@HydroOne.com

Susan Frank

Vice President and Chief Regulatory Officer
Regulatory Affairs



BY COURIER

September 10, 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:

EB-2014-0022 – Suncor Energy Products Inc. s. 92 Application for Leave to Construct Transmission Facilities – Hydro One Networks Inc.'s Submission

In response to the Board's Procedural Order No.6 issued September 5, 2014, please find attached Hydro One Networks' submission regarding an application by Suncor Energy Products Inc. for an order or orders granting leave to construct transmission facilities to connect Suncor's Cedar Point II Wind Energy Project to the IESO-controlled grid, and for an order approving the forms of agreements that have been or will be offered to affected landowners.

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

Sincerely,

ORIGINAL SIGNED BY SUSAN FRANK

Susan Frank

cc. Intervenors

Encls.

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 Suncor Energy
Products Inc. for an Order granting leave to construct a new
transmission line and associated facilities.

SUBMISSION OF HYDRO ONE NETWORKS INC.

In response to the Board's Procedural Order No.6 issued September 5, 2014, Hydro One submits that the table of the incremental costs ("the table") provided in Hydro One's submission dated September 2, 2014 ("the submission"), is only for illustration purposes with respect to new transmission facilities to be built in the area where Hydro One's existing distribution facilities may be adversely affected due to the close proximity between the two facilities. The table is not meant to be specific to Suncor's proposed transmission facilities. The costs and events in the table are prospective and illustrative as they are not specific things that have taken place or that will take place in a particular location on a particular date.

Based on a preliminary assessment of the location of the proposed transmission facilities, which may be followed by a detailed assessment and physical check in the area, Hydro One expects that six crossings, specifically five primary crossings and one secondary crossing, would be necessitated as a result of the proposed transmission facilities. As illustrated in the table, if Suncor maintains Hydro One's clearance on the current customer's primary service when building the new transmission line above existing primary service crossing, the five existing primary overheads would not be affected by the proposed transmission facilities. The secondary overhead road crossing, on the other hand, needs to be relocated from overhead service to underground in order to cross the road and Suncor's new line. Hydro One is requesting to relocate overhead secondary services underground so that the bare neutral of the triplex secondary wire is not in the falling path of the transmission facility. Hydro One is making this request for reasons of electrical safety in an event that the transmission facility comes into

contact with the bare neutral conductor which goes directly into the customer's residence. In a fault situation where the transmission facility makes contact with a secondary neutral, the neutral voltage rises and there is a dangerous difference of potential which will occur in the electrical service between the 120 volts and the neutral until the 120 volts conductor and the neutral makes a flashover, which could potentially cause a fire within the customer's electrical panel or home. (A flashover is when two conductors at different voltages come into contact with each other, and in this case, it will happen somewhere where clearances are close or insulation meant for low voltage wire fails.) Putting the overhead secondary wire underground and removing it from the falling path of the transmission facility eliminates the risk.

The negotiation between Hydro One and Suncor to reach an agreement includes not just the incremental cost arrangement, which is only one of several aspects of the negotiation for an agreement, but also *operational considerations* [emphasis added]. As illustrated in the submission, the operational considerations include, but are not limited to, protocols for emergency service coordination, asset placement and clearance standards, general coordination of operation, access to infrastructure and to customers, and information provision and exchange between the parties. Unlike licensed distributors and licensed transmitters that normally have already-established communication channels and working relationships between or among them, the operational considerations need to be clearly defined and addressed between Hydro One (Distribution business) and Suncor (a generator-transmitter) to ensure safe, reliable and economic provision of customer service and supply, because there is no existing working relationship between the two entities. For instance, in case of emergency in the area where the two entities' facilities lie along or in close proximity to each other, a pre-arrangement or working relationship between Hydro One and Suncor which would be established by means of the aforementioned agreement would better respond to any sorts of emergency situations for either Hydro One's or the transmitter's facilities.

Therefore, as Hydro One must protect its distribution customers, from the standpoint of both operational considerations and financial considerations, who are now and will potentially be affected by the proposed transmission facilities, Hydro One requests that, if the Board grants leave to construct, the Conditions of Approval include the requirement that Suncor file, in

confidence, a signed agreement between the applicant and Hydro One prior to the Applicant's commencement of the construction of the proposed facilities. Alternatively, Hydro One requests the Board to defer its Decision on the Application until the Board has been notified that an agreement between the two parties has been reached, similar to the Board's Decision (EB-2012-0442) in the Leave to Construct Application by Varna Wind, Inc¹.

Such an agreement is needed to protect the ratepayers and customers in Hydro One's licensed service area. Again, although the examples in Hydro One's original submission were prospective and illustrative, the fact is that an agreement between Suncor and Hydro One would appropriately contain wording that would cover any prospective situation.

ALL OF WHICH IS RESPECTFULLY SUBMITTED.

ORIGINAL SIGNED BY MICHAEL ENGELBERG

Michael Engelberg, Counsel for Hydro One Networks Inc.

¹ *"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).