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BY E-MAIL

October 23, 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
Ontario Power Generation Inc.
Application for Leave to Construct Transmission Facilities
for New Post Generating Station
Board File No. EB-2014-0194**

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

Yours truly,

Original signed by

Robert Caputo
Case Manager

c. All Parties in EB-2014-0194

Encl.

BOARD STAFF INTERROGATORIES
ONTARIO POWER GENERATION INC.
APPLICATION FOR LEAVE TO
CONSTRUCT TRANSMISSION FACILITIES
FOR NEW POST GENERATING STATION
BOARD FILE NO. EB-2014-0194

PROJECT COSTS AND ECONOMICS

Interrogatory 1

References:

(1) *Exh. B, Tab 5, Sch. 1*

Page 1 of the reference states that “OPG and CRP are not rate-regulated transmitters and are not seeking recovery of the cost of the Proposed Line in transmission rates. The Proposed Line will be fully funded and owned by OPG and CRP as part of the New Post Creek Project.”

Page 2 of the reference further states that “The payments for the output of the proposed New Post Creek Project will be contractual in nature and will not be regulated by the OEB. OPG and CRP are not rate-regulated transmitters and are not seeking recovery of project costs for the Proposed Line in transmission rates. The project to construct the Proposed Line has no impact on transmission rates.”

Page 2 of the reference further states that “the Ontario Minister of Energy has directed the OPA to enter into negotiations for a power purchase agreement to procure electricity from the proposed 25 MW New Post Creek hydroelectric generating station. The output from the New Post Creek Project will therefore be sold to the OPA through a negotiated supply contract. The Proposed Line, as part of the cost of the generating station, would therefore be recovered through this contract.”

Questions / Requests

- (a) Please advise whether there are any changes/upgrades required on the Hydro One system in order to accommodate the proposed generation and transmission facilities.
- (b) If the answer to (a) is yes:
 - Describe the changes/upgrades required;
 - Provide the estimated costs of the changes/upgrades;
 - Who will be responsible for payment of these costs?
- (c) Will OPG be responsible for ongoing operation and maintenance costs of the proposed transmission facilities? If not, please explain.
- (d) What is the status of the OPA's negotiations with OPG regarding a power purchase agreement to procure electricity from the proposed 25 MW New Post Creek hydroelectric generating station? When is the agreement expected to be executed?

LAND - RELATED MATTERS & OTHER APPROVALS**Interrogatory 2**

References:

- (1) Exh. F, Tab 1, Sch. 1
- (2) Exh. G, Tab 1, Sch. 1

Reference (1) states that "the New Post Creek Project will require the deregulation of an approximately 200 hectare portion of land within the existing Little Abitibi Provincial Park and its replacement with an approximately 400 hectare park addition, to comply with the Provincial Parks and Conservation Reserves Act, 2006. The Proposed Line is located entirely on Crown Land owned by the Province, outside of the existing and proposed replacement lands of Little Abitibi Provincial Park."

Reference (1) further states "that No federal or First Nation reserve lands will be affected by the New Post Creek Project, however the proposed transmission line would cross within overlapping Traditional Territories of the TTN and MCFN. As

discussed in Ex. G-T1-S1, TTN is involved in and supports the Project through CRP, and MCFN has been consulted and supports the project.

It has been confirmed that no private owners are impacted by the Proposed Line.”

Questions / Requests

- (a) What agreements/approvals are needed in order to achieve the required “deregulation of an approximately 200 hectare portion of land within the existing Little Abitibi Provincial Park.....”?
- (b) What is the status of any agreements/approvals required in (a) and when are these expected to be executed?
- (c) Other than an indication that TTN and MCFN support the project, are there any further agreements/approvals required with/by TTN and MCFN before the proposed transmission facilities can be built? If so, please provide the status and expected dates that the agreements/approvals will be executed.
- (d) 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)

Interrogatory 3

References:

- (1) *Exh. H, Tab 1, Sch. 1*
- (2) *Exh. H-1-1, Attachment 1, System Impact Assessment Report, CAA ID:2007-294, dated October 28, 2010.*

Based on the above-noted references:

- the IESO has completed a SIA (CAA ID:2007-294, dated October 28, 2010) filed as Exh. H-1-1, Attachment 1;
- the SIA concluded that “ the proposed project will not have a material adverse effect on the reliability of the IESO-controlled grid.”

- The SIA recommends that “Notification of Conditional Approval for connection be issued to Ontario Power Generation Inc., subject to IESO’s Requirements for Connection listed below, and any further requirements that may be identified by Hydro One Networks Inc. in the Customer Impact Assessment.”
- The Applicant states that “There have been no significant changes since the SIA was issued to warrant an updated SIA to be issued by the IESO.”
- OPG/CRP will satisfy the requirements, recommendations and any other conditions imposed by the IESO as described in the SIA.

Questions / Requests

- (a) Please provide verification from the IESO that the October 2010 SIA is still applicable and that an updated SIA is not required.
- (b) Please file a copy of the IESO’s Notification of Conditional Approval for Connection for this project.
- (c) Does the Applicant plan to implement all of the IESO’s connection requirements contained in the SIA and any further updates to the SIA?
- (d) Please provide verification that Hydro One Networks Inc. intends to carry out the transmitter requirements outlined in the SIA and any further updates to the SIA.

CUSTOMER IMPACT ASSESSMENT (CIA)

Interrogatory 4

References:

- (1) *Exh. I, Tab 1, Sch. 1*
- (2) *Exh. I-1-1, Attachment 1, Customer Impact Assessment Report dated February 25, 2010.*

Based on the above-noted references:

- Hydro One completed a SIA (Ref 2), dated February 25, 2010 filed
- the CIA concluded that “the proposed project could be incorporated with minor impact to Hydro One customers”

- The Applicant states that “There have been no significant changes since the CIA was issued to warrant an updated CIA to be issued by Hydro One.”
- OPG/CRP will satisfy the requirements, recommendations and any other conditions imposed by Hydro One as described in the CIA.

Board staff notes that the CIA report pre-dates the SIA report.

Questions / Requests

- (a) Please provide verification from Hydro One that the February 25, 2010 CIA is still applicable and that an updated CIA is not required.
- (b) Does the Applicant plan to implement all of Hydro One's connection requirements contained in the CIA and any further updates to the CIA?

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