

**Ontario Energy
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**Commission de l'énergie
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BY E-MAIL

May 16, 2017

Mr. Thomas Brett
Applicant's Counsel
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Mr. Zeeshan Ali
Sagatay Transmission LP
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Dear Mr. Brett and Mr. Ali:

**Re: Sagatay Transmission LP
Application for Leave to Construct Transmission Facilities
OEB File Number: EB-2016-0017**

This letter is with reference to the application of Sagatay Transmission LP (Sagatay) to the Ontario Energy Board (OEB) for leave to construct a transmission line from Ignace to Pickle Lake and related transmission facilities. By letter dated February 18, 2016, the OEB advised Sagatay that its application was being held in abeyance pending the filing of certain reports. The OEB issued a further letter on November 2, 2016 indicating the intent to dismiss Sagatay's application and providing an opportunity for Sagatay to make written submissions regarding the dismissal, which the OEB received on November 18, 2016.

For the reasons set out in the OEB's letter of November 2, 2016 and those provided below, the OEB has determined that it will dismiss Sagatay's application.

In its letter, Sagatay broadly submitted that the OEB's dismissal of its application eliminates competition and is contrary to the OEB's mandate to promote economic efficiency and cost effectiveness in as set out in Section 1(1)2 of the *Ontario Energy Board Act, 1998* (OEB Act). As noted in the OEB's November 2, 2016 letter, the dismissal of Sagatay's application is grounded in section 97.1 of the OEB Act, which prohibits the OEB from granting leave to construct to an applicant if a licence issued to another person includes an obligation to develop, construct, expand or reinforce the transmission line that is the subject of the application for leave.

The Minister, with the approval of the Lieutenant Governor in Council, has directed the OEB to amend the licence of Wataynikaneyap Power LP (Wataynikaneyap) to include provisions that require it to proceed with development work (and seek approvals) for a transmission line originating in Dryden/Ignace and terminating at Pickle Lake (Line to Pickle Lake) and to also proceed with development work (and seek approvals) for lines extending north from Pickle Lake to connect certain named Remote Communities (Line to Remote Communities).

By reason of the exercise of this power, in respect of which the OEB sees no deficiency relative to the statutory provision authorizing it, and by virtue of section 97.1 of the OEB Act, the OEB cannot grant leave to construct the lines in question to any proponent other than Wataynikaneyap.

The OEB remains of the view that Sagatay's proposed transmission line is functionally equivalent to the line that Wataynikaneyap has been directed by the Minister and licensed by the OEB to develop. The proposals of each of Wataynikaneyap and Sagatay would achieve the primary function of enabling long-term load-meeting capability in the Pickle Lake Subsystem of approximately 160MW, and of providing a basis for the future grid connection of remote communities north of Pickle Lake. The primary function—load-meeting capability in the North of Dryden region—is described in the IESO's 2015 [North of Dryden Integrated Regional Resource Plan](#), and the line to be constructed is described in the IESO's recommended scope, filed with the OEB on October 13, 2016. Each of the proposed lines is approximately, 300 km in length, interconnects with the provincial transmission grid at a point on Hydro One Transmission's 230kV "D26A" transmission circuit lying between Dryden and Ignace and terminates at a point in Pickle Lake.

The OEB does not agree that dismissal of Sagatay's application is premature. While the Sagatay and Wataynikaneyap projects may be at a relatively early stage, there is sufficient basis to conclude that the two projects are functionally equivalent. Given that section 97.1 of the OEB Act therefore precludes the OEB from granting the relief that Sagatay seeks in its application, it is reasonable for the OEB to dismiss Sagatay's application at this time.

Yours truly,

Original Signed By

Kristi Sebalj
Registrar

c: Eric Roblin, Fogler Rubinoff LLP, Applicant's Counsel