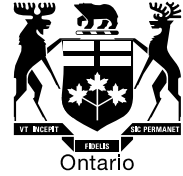


**Ontario Energy  
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**BY EMAIL AND COURIER**

July 15, 2008

Mr. Paul Martin  
R. Paul Martin Construction Co. Ltd.  
1473 John Counter Blvd., Suite 400  
Kingston ON K7M 8Z6

Dear Mr. Martin:

**Re: Application by Canadian Renewable Energy Corporation ("CREC") for  
Authority to Expropriate Land for Construction of Electricity Transmission  
Line to Wolfe Island Wind Plant, Board File Number EB-2008-0050**

This is in response to your various inquiries over the phone and in writing regarding the processing of the application EB-2008-0050 to expropriate land by CREC. As you are well aware, the expropriation application is currently before the Board. Two properties are subject to this application to expropriate two permanent easements:

1. land owned by R. Paul Martin Construction Co. Ltd., having an approximate area of 104 square meters, designated as Part 11 on the draft Plan of Survey, prepared by Leslie M. Higginson Surveying Limited bearing File No. KI'N2-10 LMH 27-1, being part of Lot 10, Concession 2, in the City of Kingston (formerly the Geographic Township of Kingston) in the County of Frontenac; and
2. land owned by Carylanne Martin, having an approximate area of 101 square meters, designated as Part 10 on the draft Reference Plan of Survey prepared by Leslie M. Higginson Surveying Limited bearing File No. KI'N2-10 LMH 27-1, being part of Lot 10, Concession 2, in the City of Kingston (formerly the Geographic Township of Kingston) in the County of Frontenac.

You own one of the properties subject to the application and represent interest of Carylanne Martin who owns the second property subject to the application.

A Notice of Application was issued by the Board on April 2, 2008. Upon being served the Notice of Application, on April 18, 2008 you sent an intervention request to the Board. On April 24, 2008 the Board issued a letter confirming your intervenor status and determined that you are eligible to apply for an award of costs under the Board's *Practice Direction on Cost Awards*. We note that there are no other intervenors or observers in this proceeding.

In your letter of intervention you asked that the Board hold an oral hearing in Kingston, Ontario. In the letter you also asked the following:

*“Could you please explain how the Ontario Energy Board makes its decision for expropriation? What is section 99 of the Ontario Energy Board Act 1998, S.O. 1998, c. 15 (Schedule B) (the “Act”)? Why is it the Board’s opinion that it is in the public interest to expropriate our land?”*

*Would you please explain subsection 99(5) of the Act? Why is the Board able to recommend expropriation but is not involved with compensation? Please explain section 100 of the Act and section 27 of the Expropriation Act. Please also explain how the Ontario Municipal Board process works.”*

By way of conference call with Board staff on July 3, 2008, subsection 99(5) of the Act was explained to you. Specifically Board staff informed you that subsection 99(5) of the Act states: “If after the hearing the Board is of the opinion that the expropriation of the land is in the public interest, it may make an order authorizing the applicant to expropriate the land.”

With respect to your inquiry as to why the Board decided to proceed by way of a written process you were reminded that the reasons for the decision were noted in Procedural Order No. 1, issued on May 16, 2008. The Board also clarified, in Procedural Order No. 1 the administration and scope of the expropriation proceeding and the role of the Board and Ontario Municipal Board.

More specifically, the Board noted that the route of the transmission line was approved in the EB-2007-0034 proceeding. That proceeding was conducted by an oral hearing held in Kingston on September 24, 2007. The Board stated that you were a registered

intervenor in the EB-2007-0034 proceeding and that you participated actively at the oral hearing in Kingston. You were represented by a lawyer, cross-examined the CREC witnesses and provided submissions on the issues of construction and routing impacts of the transmission line on the affected properties. In Procedural Order No. 1, the Board confirmed that, because the route has already been approved in EB-2007-0034 proceeding, routing is not within the scope of this expropriation proceeding.

Furthermore, in your letter dated April 18, 2008 you stated:

*"I am not against the Wolfe Island Wind Plant. As a small business owner, I ask you to respect the financial hardships that this will put on me. This may be the most cost-effective route for the Applicant but very detrimental to me."*

As the Board stated in the Notice of Application, you were served with, the Board may make an order under subsection 99(5) of the *Act* authorizing CREC to expropriate the land if it is of the opinion that it is in the public interest to do so. The Board further noted that it does not have the authority to determine the amount of compensation payable. In Procedural Order No. 1 the Board also explained that if the authority to expropriate is granted and the parties do not agree upon compensation, section 100 of the *Act* requires the compensation to be determined under section 27 of the *Expropriations Act* or by the Ontario Municipal Board. The Board noted that matters of compensation, which seem to be of concern to the Martin Group, will not be considered or decided in the expropriation proceeding before the Board.

The Board concluded that any matters of concern to the affected landowners, except routing and compensation, may be appropriately dealt by way of written process. In accordance with Procedural Order No. 1 you, as a registered intervenor, had an opportunity to ask written interrogatories (questions) by May 30, 2008. You did not file any interrogatories. The Applicant filed its argument-in-chief on June 12, 2008. As a registered intervenor you had an opportunity to provide your final written argument by June 27, 2008. You did not file any submissions by that date. However, on July 3, 2008 you requested, by phone, an extension of time to file your final argument. The Board granted you an extension of time to file your submission by July 7, 2008. On July 7, 2008, you filed your final argument. The Applicant filed its response on July 8, 2008.

In your written final submissions you again asked clarification and wanted to understand:

*“...how the Ontario Energy Board makes its decision for expropriation? What is section 99 of the Ontario Energy Board Act 1998, S.O. 1998, C. 15 (Schedule B) (the “Act”)? Why is it the Board’s opinion that it is in the public interest to expropriate our land?”*

You again asked that the Board:

*“...explain subsection 99(5) of the Act? Why is the Board able to recommend expropriation but it is not involved with compensation? Please explain section 100 of the Act and section 27 of the Expropriation Act. Please also explain how the Ontario Municipal Board process works.”*

On July 9, 2008 you requested by e-mail an oral conference call with Board Secretary to discuss the application. Please note that there is no process for such a conference. Your inquiries have been addressed in both Procedural Order No.1 and in a phone conference with Board Staff that took place on July 3, 2008. Board Staff provided you with help regarding the procedural matters over the phone several times during the proceeding. To further assist you, for your reference we are attaching the following to this letter:

1. Letter dated April 24, 2008 by which the Board acknowledged that you are a registered intervenor eligible for cost award.
2. Procedural Order No. 1
3. OEB Act
4. Board Practice Direction on Cost Award
5. Board Rules of Practice and Procedures.

Yours truly,

*Original signed by*

Kirsten Walli  
Board Secretary

Attachments.

C: Ms. Sharon Wong, Blake, Cassels & Graydon LLP, Counsel for the Applicant  
EB-2008-0050 Public Record