Invista – Utilities Kingston – Canadian Hydro Developers (CREC)
Discussion Regarding 230 kV Transmission Line Route

Date: Thursday, May 24, 2007
Time: 10:30 am to noon
Location: Invista board room

Attendees:
Peter Kraus, Invista
Paul Taylor, Invista
Jim Keech, Utilities Kingston
Jim Miller, Utilities Kingston
Ross Keating, Canadian Hydro Developers, Inc. (CREC)
Rob Miller, Canadian Hydro Developers, Inc. (CREC)

Meeting Notes Taken / Drafted By Rob Miller, but not circulated.

- Introductions and greetings.

- The purpose or objective of the meeting was to attempt to resolve any issues that Invista and UK may have with the route being proposed by Canadian Renewable Energy Corporations (CREC), a wholly owned subsidiary of Canadian Hydro Developers, for its 230 kV transmission line routing across Invista's property.

- Let's look at the options and then try to assess and meet everyone's needs. The route discussions and options included Invista, CREC, and UK. It was agreed that the "business side" of the discussions relating to the amount of compensation for an easement on Invista's land would be worked on independently later between Invista and CREC (no need to involve UK).

- Invista's preference is as originally filed with the OEB, i.e. landing east of the UK / City of Kingston West Water Treatment Plant at Point Pleasant and running around the property line (call this route #1). Route #1 was not preferred by UK because it land locks them and makes expansion of UK's water treatment plant difficult.

- Invista commented that even better (preferred) would be a landing at the foot of Sunny Acres Road and for CREC to remain within the public road ROW and avoid their property all together.

- Invista did not oppose route #1 because it did not materially impact their property. Now that CREC is proposing to come ashore in Sand Bay there is an impact, encumbrance, property division, and a potential property value diminishment. Invista maintains / stated that at some point in the future, i.e. 20 or 30-years away, the land could be prime residential development and be worth quite a lot of money. CREC stated UK is already there and wants to expand, there are waste Darco pits, and there is an existing Hydro One line and easement, so the lands are already encumbered and CREC would not be diminishing the value. As an aside, for value reference, the Girl Guide's 8-acres property on Carruthers Point was appraised at approximately $250,000 about 1-year ago (it is waterfront too).

- The current "Industrial" and "Open Space" zoning was mentioned and discussed, which would factor into land valuation and an appraisal. A point was made that, if, in the future, the land use changed (i.e. Invista was no longer there in 30-years), then the lands could be re-zoned. If Invista ceased operations and the facility was decommissioned then the City could consider rezoning the lands for development that would produce the most value, i.e. commercial or residential. If this occurred then the OS zone that is currently in place to act as a buffer between Invista and the Sunny Acres community would likely be removed and it too could be developed.

- CREC raised concerns and questions regarding the Darco pits. Information obtained from the local Kingston office of the MOE was presented, i.e. site map and design of the pits and RP 13R 4312. Invista stated that there has to be due care and consideration with respect to proposed site investigation and that it is premature to be on site before an agreement is in place. CREC requested validation of the Darco pit information and their locations to support and allow the route to avoid them. MOE Guideline D-4 "Land Use on or Near Landfills and Dumps" was mentioned as being applicable. Invista stated that the pits are primarily filled with waste nylon.

- Historical route options were reviewed, for example Carruthers Point, along with the rational for not pursuing them. In the case of Carruthers Point it was congestion on the peninsula and landowners desire to stay out of Front Road frontage.

- CREC modified the original route #1 alignment because it was determined Hydro One's 8.3 kV distribution line, servicing Simcoe and Wolfe Islands, made landfall on the west shore of Sand Bay. Hydro One has specified that CREC cannot cross their 8.3 kV submarine cable with the 230 kV submarine cable. It is not possible for CREC to come ashore as originally proposed and filed with the OEB due to the requirement not to cross Hydro One's existing submarine cable. This same requirement prevents CREC from coming ashore at the foot of Sunny Acres Road. It was stated that CREC's preference at the beginning of the route selection process was to come ashore at the foot of Sunny Acres Road, but this is not possible for technical, social (i.e. Sunny Acres Community objection regarding Paterson Park), and City requirements (i.e. it is the City's preference that CREC not encumber public road ROW).

- The proposed new route presented at the meeting came ashore in Sand Bay east and north of the existing Hydro One lines and traveled west to Sunny Acres Road parallel to the aboveground Hydro One line (call this route #2). This was objectionable to UK because it could impair their future planned expansion of the water treatment plant. CREC offered that there could be a provision to move the underground cable provided there was one year's warning and that it was 10-years away; i.e. CREC needed some operating time to recover its investment and it did not want to put the cable in one year and then receive a request to move it 2 or 3 years later. Terms of who pays and how the request would be triggered were not discussed in detail. If the cable was not moved and UK had to design their plant expansion around it UK mentioned they would look to CREC to pay any incremental costs to do so.

- UK was originally going to oppose route #2, but if the cable needed to be moved in the future, and it could be moved, they would not oppose route #2.

- The question was asked why the submarine cable couldn't come across the Lower Gap further west off Wolfe Island. The answers / points included: the Wolfe Island transformer station needs to be as close to the 34.5 kV collection system as possible in order to minimize losses and most of the turbines are east and south of the TS. The TS has to be as close to shore as possible, with a willing landowner, where there is access to the water. The location selected met all of these requirements. Simcoe Island is in the way, and anything west of that is too far away from where CREC needed to be.

- A concern or question was raised by Invista about congesting or filling Sand Bay with cable. The submarine cable for route #2 was going to parallel the existing Hydro One line as much as possible, i.e. run north and then east. It was stated that the MNR has jurisdiction / ownership of the lake or riverbed in Sand Bay and CREC is applying for 1) a works permit, and 2) a land use permit to acquire long term tenure to lay its cable.

- The concept or idea of traveling more directly from Sand Bay in a northerly direction onto Invista property came about (call this route #3a).

- UK's preference was for the line to go straight north east of the DuPont facility out to Front Road. This was not preferred by Invista because of a potential future expansion of their warehouses and CREC mentioned that both DuPont and CSC objected to the 230 kV line being in their road frontage and it might impact future development.

- The solution or compromise was to run west on Invista property along the southern boundary of DuPont's property, intersect Sunny Acres Road, then travel north on DuPont property as originally proposed (call this route #3b). This was endorsed by UK and was also acceptable to Invista.

- UK stated that they have (1) existing 900 mm diameter Hyprescon Trunk Watermain running east of the Sunny Acres Road ROW (i.e. slightly on private property) and that they will need to twin this in the future as part of their water treatment plant expansion. UK would require 5 to 10 feet separation between their pipes (say 3 metres). UK then requires adequate separation and/or mitigative measures between their future watermain and the 230 kV transmission line (as per CSA C22.3 No.6-M91)

- Invista will get their lawyers to DRAFT an agreement or MOU by the end of the day on Friday, which will include liability management and other terms and conditions. As proposed, it is Invista's contention that CREC's monetary compensation is an order of magnitude off what it should be considering potential future real estate value.