

Bruce to Milton Connection

ONTARIO'S NEW CLEAN ENERGY CORRIDOR



EA Approval

The Project's EA Report received Ontario government approval on December 16, 2009. A copy of the Notice of Approval can be found on our website www.HydroOne.com/Projects/BrucetoMilton. The approval is conditional on Hydro One meeting the commitments outlined in our EA Report, including our Biodiversity Initiative.

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In this 8th issue of *Bruce to Milton Connection*, we are pleased to announce that on December 16, 2009 the Environmental Assessment (EA) for the Bruce to Milton Project (Project) was approved. The new 500 kilovolt (kV) transmission line will benefit Ontarians by providing transmission capability to reliably and safely deliver an additional 3,000 megawatts of power from clean and renewable energy sources – the largest expansion of the Ontario transmission grid in 20 years.

This is the first Individual EA that Hydro One has completed and it involved three years of technical and environmental field work, extensive consultation with landowners, interest groups, elected officials and First Nations and Métis communities. We are very proud of the work of our project team and the support we have received from stakeholders.

Other approvals received include our section 92 Leave to Construct application to the Ontario Energy Board which was approved on September 15, 2008, and our application for a Development Permit was approved by the Niagara Escarpment Commission (NEC) on September 17, 2009. This permit allows for construction on lands that fall under NEC jurisdiction, and is conditional on Hydro One ensuring that various mitigation measures are in place prior to construction. Currently, the granting of the NEC permit is being appealed in the Niagara Escarpment Hearing office. The hearing process began in January and will continue into the spring.

This spring, we will start preparatory construction on lands where voluntary property agreements have closed, and necessary permits and approvals have been received. More details on the construction plan, landowner updates and Hydro One's biodiversity initiative can be found inside this issue.

Biodiversity Initiative

Historically, Hydro One's policy has been to replant one hectare of woodlot for each hectare lost. For the Bruce to Milton Project we are committed to going beyond this approach and using innovative ways of mitigating the effects of woodlot clearing. The Biodiversity Initiative aims to develop and support a number of stewardship and biodiversity opportunities in the communities affected by the Bruce to Milton Project.

On June 3, 2009, Hydro One held its third Biodiversity Initiative Workshop and over 30 participants attended, including representatives from provincial ministries and agencies, municipal governments, conservation groups, and First Nations and Métis communities.

A number of important issues were discussed, including the proposed valuation methodology to be used in quantifying habitat lost as a result of woodland clearing. Hydro One's commitment to habitat restoration within the four watersheds crossed by the Bruce to Milton Project was also discussed.

Workshop #3 Topics:

1 An explanation of the recommended valuation approach and associated ecological criteria to determine habitat loss and gain.

2 Methods used to determine habitat gain using hypothetical examples of opportunities.

3 Recommended value added factors considered when ranking potential opportunities.

4 The next steps in the Biodiversity Initiative.

All feedback was considered in the preparation of the final draft report. The report and summary of the workshops are available on our website www.HydroOne.com/Projects/BrucetoMilton.

After the third workshop, Hydro One invited potential partners to submit Letters of Interest to develop and manage biodiversity opportunities.

An opportunity is defined as a potential stewardship or Biodiversity Project promoted by local Conservation Authorities, Stewardship Councils, other conservation groups and First Nations and Métis communities.

Opportunity selection is based on a quantitative ecosystem approach involving the valuation (points) of habitat loss due to the Project and habitat gain as a result of opportunity implementation. Hydro One staff conducted site visits with potential partners this past fall, and preliminary opportunity rankings will be presented at a fourth workshop, to be held in spring 2010. The final selection of opportunities is planned for this summer.

Construction Activities Begin

Hydro One has hired Valard Construction to undertake some of the activities associated with building the line. Together, Hydro One and Valard Construction have been refining construction details such as temporary access road routing and refinement of tower locations to ensure property owner concerns, and land use/environmental considerations are adequately addressed before the start of construction activities later in March.

We recognize that construction can sometimes be disruptive for local residents. Hydro One is committed to mitigating impacts and resolving issues residents may have once construction activities begin. As part of this effort,

March 2007

April 4, 2008

September 15, 2008

September 22, 2008

Bruce to Milton Project is announced

EA Terms of Reference approved by the Ministry of the Environment (MOE)

Section 92 Leave to Construct application approved by Ontario Energy Board

Draft EA Report available for a 30-day public and stakeholder review period



Temporary roads will be constructed in some areas to provide crews access to towers.

Hydro One has assigned Gary Bell, Construction Contact Officer as the main point of contact for any construction issues. Gary can be reached at 705-627-0056.

Preparatory construction work including selective tree cutting and the installation of temporary access roads will begin in March. Any major work such as foundation installation and the delivery of tower steel to selected sites is scheduled to begin in May. To ensure you know what to expect during construction, we're holding a series of Public Information Centres (PICs) so that you can meet with our construction and environmental team, and discuss any issues you may have. We look forward to seeing you in April.

First Nations and Métis

Hydro One is committed to ensuring opportunities exist for First Nations & Métis communities and its members to play a role in our procurement opportunities. For work tendered on the Bruce to Milton Project, Hydro One has included language to make the process more accessible. In addition, if you are a company with First Nations and/or Métis ownership, with an interest in doing business with Hydro One, please send an email to newvendorinquiries@HydroOne.com if you would like your company to be identified on our website.

Landowner Update

Over the last year, our property agents have made best efforts to engage all property owners in our voluntary settlements under Hydro One's *Land Acquisition Compensation Principles (LACP)*. As of early March, approximately 250 settlement agreements had been signed and a number of additional properties are moving towards voluntary agreements. We can now carry out these agreements, and are very pleased with these results. Many transactions have now closed with property owners receiving full compensation under our *LACP* immediately upon closing.

Although we are very pleased with the significant progress that has been made to reach voluntary agreements, Hydro One applied to the Ontario Energy Board on February 26, 2010 for expropriation of the remaining rights required for the Project. All property owners who have not yet signed a voluntary agreement have received a letter from Hydro One explaining our plans for expropriation.

Our goal has always been to avoid the expropriation process altogether, and we strongly believe the compensation offered through our voluntary process will exceed the compensation available under the *Expropriations Act*. We appreciate and thank landowners for the time and effort that they have put into our voluntary settlement process.

Public Information Centre Schedule

| April 13 | April 14 | April 15 |
|--------------------------|--------------------------|------------------------------|
| Knights of Columbus Hall | Egremont Optimist Centre | East Garafraxa Public School |
| Hanover | Holstein | Marsville |
| 4 - 8 pm | 4 - 8 pm | 4 - 8 pm |

December 5, 2008

EA Report finalized and made publicly available by the MOE for an 8-week review period

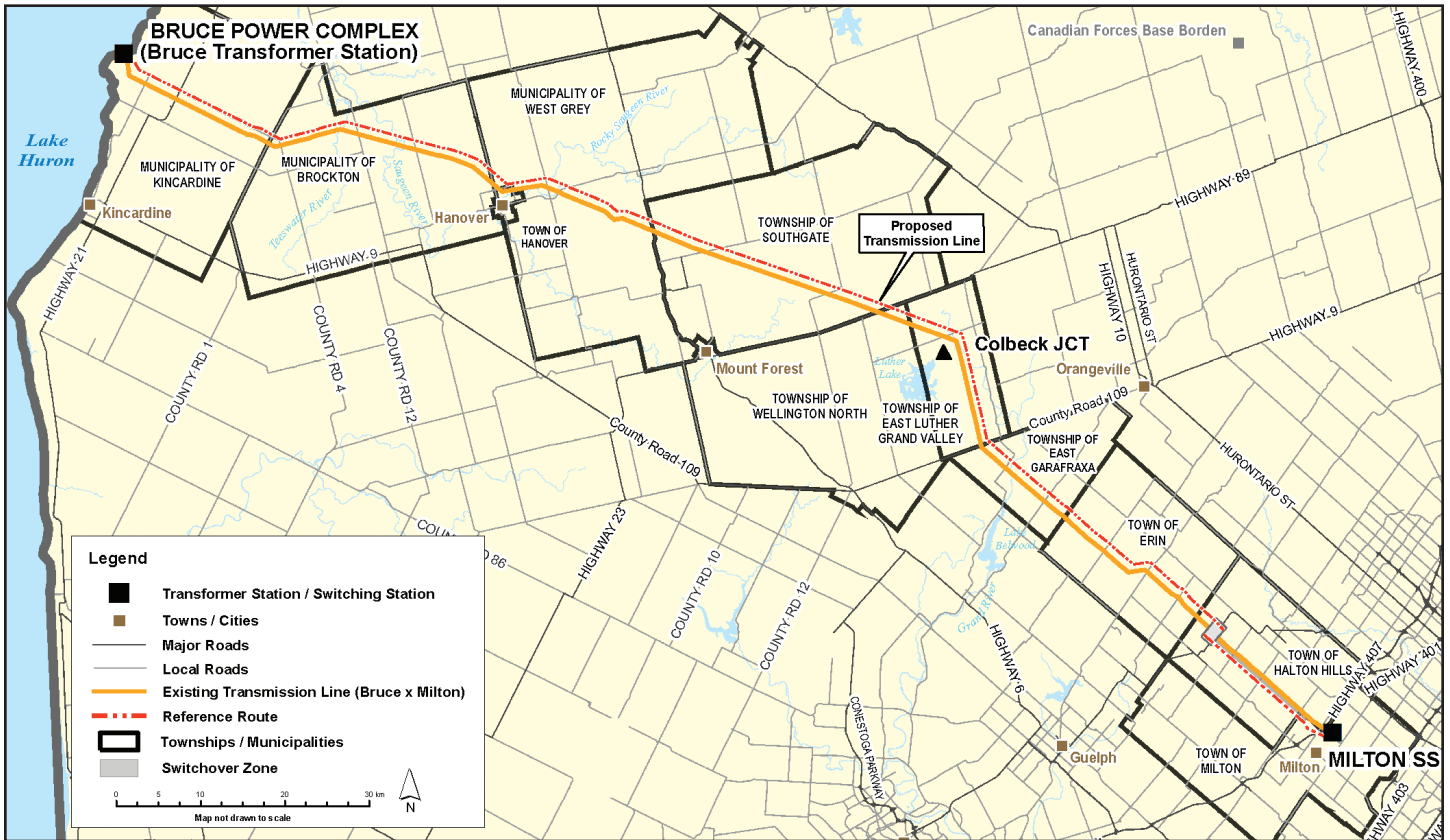
March 13, 2009

MOE issues report of the EA document which was available for 5-week public and stakeholder review period

December 16, 2009

Project receives EA approval

Bruce to Milton Reference Route



Project Schedule

| | |
|---------------------------------------|--------------------------|
| EA Approval | December 16, 2009 |
| Begin Preparatory Construction | March 2010 * |
| Begin Project Construction | May 2010 * |
| Planned Project In-service | December 2012 |

* Construction on land where rights have been secured.

Bruce to Milton Connection

Your input is very important to us, and there are many ways you can reach us. If you would like more information about this project and want to be included on the project mailing list, please contact:

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 Fax: 416-345-6984
 Email: Community.Relations@HydroOne.com

Visit our Project Website at:
www.HydroOne.com/Projects/BrucetoMilton
 Call the Project Hotline at:
1-877-345-6799
 or **416-345-6799**



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