

- 1 • Assist in improving power quality in the area as well as allow Stayner TS and
2 Meaford TS to supply their own local load without relying on the neighbouring
3 stations via long distribution feeders characterized by poorer power quality.
4
- 5 3. The proposed facilities include the following transmission line work:
6
- 7 • Replace existing S2E single circuit 115 kV transmission line extending just west of
8 Essa TS in Springwater Township to Stayner TS in Clearview Township with an
9 approximately 27 km double circuit 230 kV line; and
10 • Replace two existing 230 kV double circuit towers with two 4-circuit towers on
11 existing right-of-way exiting west of Essa TS.
12
- 13 4. The proposed facilities include the following transmission station work:
14
- 15 • Convert Stayner TS from 115 kV to 230 kV including a 230/115 kV auto-
16 transformer at Stayner TS to maintain the electrical connection to Meaford TS and
17 replace the existing step-down transformers with higher capacity ones to serve
18 local load growth. These new facilities will be located on the existing station
19 property.
20 • Add new equipment within the existing Essa TS station property to accommodate
21 the new 230 kV line.
22
- 23 5. All of the necessary land rights (easements) for the current project were acquired
24 during the period 1992 to 1994. No new land rights beyond temporary access rights
25 are needed to construct the required line and station facilities. A map showing the
26 general location of the proposed transmission facilities may be found in Exhibit B,
27 Tab 2, Schedule 2.
28

- 1 6. The proposed facilities are endorsed by COLLUS Power Corp., Wasaga
2 Distribution Inc., the Ontario Power Authority (OPA) and the Independent
3 Electricity System Operator (IESO) as shown in Exhibit B, Tab 6, Schedule 2 and
4 Exhibit B, Tab 6, Schedule 3.
5
- 6 7. The need for transmission reinforcement in the Southern Georgian Bay Area was
7 identified by the IESO in its April 29, 2004 10-Year Outlook. The IESO also
8 highlighted the need for these transmission enhancements in its June 2006 Ontario
9 Reliability Outlook in Table 3, page 17. The 2006 Outlook is filed as Exhibit B, Tab
10 6, Schedule 6. The IESO has carried out its System Impact Assessment (SIA) of the
11 proposed facilities in accordance with the Grid Connection Requirements of the
12 Market Rules and the associated IESO Connection Assessment and Approval
13 Process. The IESO's SIA filed as Exhibit B, Tab 6, Schedule 3 confirms the need for
14 this project and indicates that Hydro One's proposed transmission solution is
15 adequate and does not adversely impact the IESO-controlled grid.
16
- 17 8 A joint utility planning study was carried out by Hydro One and six Local
18 Distribution Companies (LDCs) in Simcoe County. A copy of the joint study,
19 resulting in a report entitled "Simcoe County Supply Study" (Joint Study), issued
20 November 12, 2004, is at Exhibit B, Tab 6, Schedule 5. It addressed the concerns
21 that would normally be addressed through a Customer Impact Assessment (CIA) and
22 determined that there are no adverse impacts to customers in the vicinity of the
23 project.
24
- 25 9. The project economics as filed in Exhibit B, Tab 4, Schedule 3 indicates that the
26 project will have a net increase in the Network pool revenue requirement once the
27 project's impacts are reflected in the transmission rate base at the projected in-service
28 date of April 2009. The maximum revenue deficiency related to the proposed

1 Network facilities will be \$6.1 million in the year 2011, with a corresponding
2 Network pool rate impact of 1.06%. The maximum revenue deficiency related to the
3 proposed facilities will not be large enough to affect the Transformation Connection
4 (TC) pool rate and the TC pool rate impact will accordingly be zero over the life of
5 the project.
6

7 10 In 1991, the former Ontario Hydro conducted and submitted the Supply to
8 Collingwood Environmental Study Report (ESR), which included the proposed
9 Southern Georgian Bay Reinforcement area, to the Ministry of Environment (MOE)
10 in accordance with the *Class Environmental Assessment for Minor Transmission*
11 *Facilities*. The 1991 report addressed the growing demand for electricity in the area
12 by proposing to upgrade the existing 115 kV transmission line between Essa TS and
13 Collingwood and to locate a new transformer station near Collingwood. While it is
14 not a requirement under the *Class Environmental Assessment for Minor Transmission*
15 *Facilities* to seek additional approvals, Hydro One is submitting an update to the
16 ESR, found at Exhibit B, Tab 6, Schedule 8, to the MOE in mid-November 2006.
17 Although there have been some minor changes to the environment, the final
18 conclusions of the original ESR (1991) remain valid.
19

20 11 Hydro One has consulted stakeholders in the area to identify potential concerns
21 associated with the construction and operation of the proposed transmission facilities.
22 The feedback received from stakeholders was considered and incorporated into the
23 preparation of this Application. The stakeholder process may be found in Exhibit B,
24 Tab 6, Schedule 7. Hydro One will continue to consult with the local community and
25 other interested stakeholders to ensure potential concerns during the construction and
26 commissioning stages of the proposed facilities are addressed.
27

1 12 This Application is supported by written evidence. This evidence includes details of
2 the Applicant's proposal for the new transmission reinforcement. The written
3 evidence is pre-filed as attached and may be amended from time to time, prior to the
4 Board's final decision on this Application. Further, the Applicant may seek meetings
5 with Board Staff and intervenors in an attempt to identify and reach agreements to
6 settle issues arising out of this Application.

7

8 13 Hydro One requests a written hearing for this proceeding.

9

10 14 Hydro One requests that a copy of all documents filed with the Board be served on
11 the Applicant and the Applicant's counsel, as follows:

12

13 a) The Applicant:

14

15 Mr. Glen MacDonald

16

17 Senior Advisor - Regulatory Research and Administration

18

19 Hydro One Networks Company Inc.

20

21 Mailing Address: 8th Floor, South Tower

22

23 483 Bay Street,

24

25 Toronto, Ontario

26

27 M5G 2P5

28

29 Telephone: (416) 345-5913

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31 Fax: (416) 345-5866

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33 Electronic access: glen.e.macdonald@HydroOne.com

34

1 b) The Applicant's counsel:

2

3 Michael Engelberg

4 Senior Legal Counsel,

5 Hydro One Networks Inc.

6

7 Mailing Address: 15th Floor, North Tower

8 483 Bay Street,

9 Toronto, Ontario

10 M5G 2P5

11

12 Telephone: (416) 345-6305

13 Fax: (416) 345-6972

14 Electronic access: Michael.Engelberg@Hydroone.com

15

1 Station Work:

2
3 1. Convert Stayner TS from 115 kV to 230 kV:

- 4
- 5 • A 230/115 kV autotransformer at Stayner TS is required to maintain the
 - 6 electrical connection to Meaford TS.
 - 7 • Replace existing step-down transformers with higher capacity transformers to
 - 8 serve local load growth.
 - 9 • New facilities will be located on existing station property.
- 10

11 2. Upgrades at Essa TS:

- 12
- 13 • Add new equipment within existing station property to accommodate the new
 - 14 230 kV line.
- 15

16 The planned in-service date for the proposed facilities is April 2009. A map showing the
17 proposed location of the transmission facilities is provided in Exhibit B, Tab 2,
18 Schedule 2. The proposed facilities when constructed will be owned and operated by
19 Hydro One.

20

21 A project must be considered to be in the “public interest” to proceed. For this purpose,
22 the “public interest” is defined by Ontario regulation 365/2000 to mean the interests of
23 consumers with respect to the “pricing, availability, reliability and quality of electricity
24 service.”

25

1 The proposed facilities are in the public interest since:

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- They will have a net increase in the Network pool revenue requirement once the project's impacts are reflected in the transmission rate base at the projected in-service date of April 2009. The maximum revenue deficiency related to the proposed facilities will not be large enough to affect the Transformer Connection pool rate and the associated rate impact will accordingly be zero over the life of the project.
- They ensure the availability of electricity to Southern Georgian Bay consumers as this project will provide another high voltage supply point in the area instead of relying on the 230/115 kV autotransformers at Essa TS, the 115 kV transmission system as well as the distribution systems in the area.
- The reliability of electricity service to consumers of the Southern Georgian Bay and neighbouring areas will improve by virtue of the new 230 kV line from Stayner TS to Essa TS, allowing Stayner TS and Meaford TS to supply their own load without relying on long distribution feeders.
- The quality of electricity service to Southern Georgian Bay consumers will improve with the new proposed facilities. This will also allow Stayner TS and Meaford TS to supply their own local load without relying on the neighbouring stations via long distribution feeders characterized by poorer power quality.

26 The need for transmission reinforcement in the Southern Georgian Bay Area was
27 identified by the IESO in its April 29, 2004 10-Year Outlook. The IESO also highlighted

1 the need for these transmission enhancements in its June 2006 Ontario Reliability
2 Outlook in Table 3, page 17. The 2006 Outlook is filed as Exhibit B, Tab 6, Schedule 6.

3
4 The IESO has carried out its System Impact Assessment (SIA) of the proposed facilities
5 in accordance with the Grid Connection Requirements of the Market Rules and the
6 associated IESO Connection Assessment and Approval Process. The IESO's SIA filed as
7 Exhibit B, Tab 6, Schedule 3 confirms the need for this project and indicates that Hydro
8 One's proposed transmission solution is adequate and does not adversely impact the
9 IESO-controlled grid.

10
11 The need was also addressed in a joint utility planning study carried out by Hydro One
12 and six LDCs in Simcoe County. A copy of the joint study, resulting in a report entitled
13 "Simcoe County Supply Study" (Joint Study), issued November 12, 2004, is filed at
14 Exhibit B, Tab 6, Schedule 5.

15
16 It is customary for Hydro One to carry out a Customer Impact Assessment (CIA) in
17 accordance with its customer connection procedures to determine the impact on
18 customers of the proposed facilities. However, as the LDCs were participants in the joint
19 study to determine the required reinforcement in the Simcoe County area, and they would
20 be the only customers directly affected by the proposed facilities, a formal CIA was not
21 conducted. The joint study concluded that there was no adverse impact to the customers.

22
23 Letters of support for the proposed facilities have been received from the following
24 stakeholders;

- 25 1. The Ontario Power Authority (OPA);
- 26 2. COLLUS Power Corp;
- 27 3. Wasaga Distribution Inc.; and
- 28 4. The Independent Electricity System Operator (IESO).

1 These letters are filed at Exhibit B, Tab 6, Schedule 2 and Exhibit B, Tab 6, Schedule 3.

2
3 The total cost of the project is estimated to be \$92 million (\$74M allocated to the
4 Network Pool and \$18M allocated to the Transformation Connection Pool).

5
6 The costs of the new facilities are to be recovered through incremental transmission
7 network rates. There is no capital contribution required related to either the Network or
8 Transformation Connection Pool facilities.

9
10 The design of the proposed facilities is in accordance with good utility practice and meets
11 the requirements of the Transmission System Code for licensed transmitters in Ontario.

12
13 The Southern Georgian Bay Transmission Reinforcement project was previously
14 assessed in 1991 under Hydro One's approved *Class Environmental Assessment for*
15 *Minor Transmission Facilities*. The Supply to Collingwood Environmental Study Report
16 (ESR) was filed with the Ontario Ministry Environment in August 1991 and is the basis
17 now for moving ahead with the proposed work. In 1991, the net environmental effects
18 associated with constructing, operating and maintaining the upgraded transmission line
19 were expected to be minor for most land uses and environmental resources. The original
20 easement was for a 100 foot wide right-of-way. Additional 20 foot easements were
21 obtained in the early 1990's to better accommodate the proposed higher voltage
22 transmission line. Recognizing that changes in the local environment have occurred
23 since that time and that additional concerns may have developed, Hydro One again
24 consulted with key stakeholders in the area. The feedback received from stakeholders
25 was considered and incorporated into the Southern Georgian Bay Transmission
26 Reinforcement Project Environmental Update Report found at Exhibit B, Tab 6,
27 Schedule 8. As a result of this update, Hydro One has determined that there are no
28 additional significant environmental implications.

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Hydro One also consulted with elected officials and their representatives in the Townships of Clearview, Springwater and Essa. No concerns were raised in these consultations and there was general support for the project.

A detailed construction schedule may be found at Exhibit B, Tab 5, Schedule 2. This schedule assumes Board approval by late February 2007 to enable an April 2009 in-service date.

Hydro One requests a written hearing and submits that the evidence as submitted supports granting the requested Order for the following reasons:

- The need for new network facilities has been established;
- This need will still exist, regardless of whether new generation resources or conservation and demand management initiatives materialize;
- The need for the project is supported by the LDCs in the Southern Georgian Bay area as well as the Township and County officials themselves;
- The need for the project is supported by the OPA and IESO;
- The facilities will improve system reliability;
- The OPA considered alternatives other than transmission (i.e. new generation and conservation) and determined that the proposed transmission facilities address the need as soon as possible, as stated in their letter of support found in Exhibit B, Tab 6, Schedule 2;
- There are no adverse system or customer impacts from the project; and
- The project is fully compliant with the relevant codes, rules and licenses.

For the reasons provided in support of this Application, Hydro One respectfully submits that the proposed transmission reinforcement within the Townships of Clearview,

1 Springwater and Essa is in the public interest and should be approved under Section 92 of
2 the *OEB Act, 1998*. Accordingly, Hydro One requests an Order from the Board pursuant
3 to Section 92 of the *Ontario Energy Board Act* granting leave to construct the proposed
4 facilities by late February 2007.

5

Filed: October 31, 2006

EB-2006-0242

Exhibit A

Tab 3

Schedule 1

Page 1 of 1

1 **PROCEDURAL ORDERS / AFFIDAVITS / CORRESPONDENCE**

2

Filed: October 31, 2006

EB-2006-0242

Exhibit A

Tab 4

Schedule 1

Page 1 of 1

1

NOTICES OF MOTION

2

EXHIBIT LIST

1
2

<u>Exh</u>	<u>Tab</u>	<u>Schedule</u>	<u>Contents</u>
<u>A</u>			<u>Administration</u>
	1	1	Application
	2	1	Summary of Prefiled Evidence
	3	1	Procedural Orders/Affidavits/Correspondence
	4	1	Notices of Motion
	5	1	Exhibit List
<u>B</u>			<u>Applicant's Prefiled Evidence</u>
	1	1	Project Location and Existing Transmission System
		2	Map of Existing Facilities
		3	Need for the Proposed Facilities
	2	1	Proposed Facilities
		2	Map Showing Location of Proposed Facilities
		3	Simplified Schematic Diagram of Proposed Facilities
		4	Cross Section of the Tower Types - Existing and Proposed
	3	1	Transmission Alternatives Considered
	4	1	Project Costs, Economics, and Other Public Interest Considerations
		2	Project Costs

<u>Exh</u>	<u>Tab</u>	<u>Schedule</u>	<u>Contents</u>
		3	Project Economics
		4	Other Public Interest Considerations
5		1	Construction and Project Administration
		2	Table Showing Construction and In-Service Schedule
6		1	Other Matters / Agreements / Approvals
		2	Customer Letters of Endorsement for the Project
		3	The IESO's Notification of Approval and System Impact Assessment
		4	Customer Impact Assessment
		5	Joint Utility Planning Study
		6	The Ontario Reliability Outlook June 2006
		7	Stakeholder and Community Consultation
		8	Environmental Update Report