

- 1 4. The proposed Karn TS consists of two 230/115 kV auto-transformers and three 115
2 kV circuit breakers at a location approximately 2 km west of Woodstock TS.
- 3
4 5. The majority of land rights required to construct the proposed line facilities have
5 already been acquired in connection with the existing transmission line facilities. New
6 land rights are required at select locations along the transmission ROW and for the
7 new Karn TS site as described in Exhibit B, Tab 6, Schedule 8. Some temporary
8 access rights are also required to construct the proposed facilities. A map showing the
9 general location of the proposed facilities is provided in Exhibit B, Tab 2, Schedule 2.
10
- 11 6. The proposed facilities are endorsed by the Local Distribution Companies (“LDCs”)
12 serving the Woodstock area (Woodstock Hydro, Erie-Thames Hydro and Hydro One
13 Networks – Distribution) and the Ontario Power Authority (“OPA”) as shown in
14 Exhibit B, Tab 6, Schedule 2.
15
- 16 7. The proposed facilities meet the need identified by the OPA on page 59 of the “IPSP
17 Discussion Paper 5: Transmission” and on page 111 of the “IPSP Discussion Paper 7:
18 Integrating the Elements” for increased transmission capacity to address the rapid
19 growth in the Woodstock Area. Discussion of the need identified by the OPA is part
20 of Exhibit B, Tab 1, Schedule 4.
21
- 22 8. The need for transmission reinforcement in the Woodstock Area was identified by the
23 Independent Electricity System Operator (“IESO”) in its June 2006 Ontario
24 Reliability Outlook and is also referenced in Table 3, page 11, of the recently released
25 March 2007 Ontario Reliability Outlook, which is filed as Exhibit B, Tab 6, Schedule
26 6. The IESO has carried out a System Impact Assessment (“SIA”) of the proposed
27 facilities in accordance with the Grid Connection Requirements of the Market Rules
28 and the associated IESO Connection Assessment and Approval Process. The IESO’s
29 SIA filed as Exhibit B, Tab 6, Schedule 3 confirms the need for this project and

1 indicates that Hydro One's proposed transmission solution is adequate and will not
2 adversely impact the IESO-controlled grid.

3
4 9. Hydro One carried out a planning study for the Woodstock Area, with input from the
5 LDCs in the area, which confirmed the need for the proposed transmission
6 reinforcement. A copy of the planning study is provided in Exhibit B, Tab 6,
7 Schedule 5.

8
9 10. Hydro One is in the process of completing a Customer Impact Assessment ("CIA") in
10 accordance with its customer connection procedures, and preliminary results confirm
11 there are no adverse impacts on transmission customers as a result of this project.
12 Hydro One will file the CIA with the Board by March 23, 2007. The document will
13 be filed as Exhibit B, Tab 6, Schedule 4.

14
15 11. The project economics as filed in Exhibit B, Tab 4, Schedule 3 indicate that the
16 project will have a net present value of negative \$61.9 million based on the
17 incremental cash flows as of the projected in-service date of April 2010. The project
18 will result in an increase in the Line Connection pool rate which is estimated to
19 impact the average Ontario consumer's electricity bill by a maximum of 0.06% or
20 \$0.90 per year.

21
22 12. Hydro One is seeking approval of the proposed transmission facilities in accordance
23 with the *Class Environmental Assessment for Minor Transmission Facilities* ("Class
24 EA") approved by the Ministry of Environment ("MOE"). The Class EA process is
25 described in Exhibit B, Tab 6, Schedule 1 and includes preparing an Environmental
26 Study Report ("ESR") for review by stakeholders in Spring 2007.

27

1 13. Hydro One has consulted stakeholders in the Woodstock Area to identify potential
2 concerns associated with the construction and operation of the proposed transmission
3 facilities. The feedback received from stakeholders was considered and incorporated
4 into the preparation of this Application. The stakeholder process is described in
5 Exhibit B, Tab 6, Schedule 7. Hydro One will continue consulting with stakeholders
6 and the local community as part of the Class EA process to ensure that potential
7 concerns during the construction and commissioning stages of the proposed facilities
8 are addressed.

9
10 14. This Application is supported by written evidence. This evidence includes details of
11 the Applicant's proposal for the new transmission reinforcement. The written
12 evidence is pre-filed as attached and may be amended from time to time, prior to the
13 Board's final decision on this Application. Further, the Applicant may seek meetings
14 with Board Staff and intervenors in an attempt to identify and reach agreements to
15 settle issues arising out of this Application.

16
17 15. Hydro One requests a written hearing for this proceeding.

18
19 16. Hydro One requests that a copy of all documents filed with the Board be served on
20 the Applicant and the Applicant's counsel, as follows:

21
22 a) The Applicant:

23
24 Mr. Glen MacDonald
25 Senior Advisor - Regulatory Research and Administration
26 Hydro One Networks Inc.
27

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2 483 Bay Street
3 Toronto, Ontario
4 M5G 2P5
5 Telephone: (416) 345-5913
6 Fax: (416) 345-5866
7 Electronic access: glen.e.macdonald@HydroOne.com
8

9 b) The Applicant's counsel:
10

11 Michael Engelberg
12 Assistant General Counsel,
13 Hydro One Networks Inc.
14

15 Mailing Address: 15th Floor, North Tower
16 483 Bay Street
17 Toronto, Ontario
18 M5G 2P5
19 Telephone: (416) 345-6305
20 Fax: (416) 345-6972
21 Electronic access: mengelberg@HydroOne.com
22

1 The proposed facilities are in the public interest because they satisfy the needs described
2 in Exhibit B, Tab 1, Schedule 4, as summarized below:

3

- 4 • Will ensure the availability of electricity supply to consumers in the Woodstock
5 Area;
- 6 • Will increase transmission capacity in the area to meet growing consumer
7 demand; and
- 8 • Will maintain required quality of supply (i.e. adequate post-contingency voltage
9 levels).

10

11 The proposed facilities meet the need to increase transmission capacity in the Woodstock
12 Area identified by the OPA in “IPSP Discussion Paper 5: Transmission” and “IPSP
13 Discussion Paper 7: Integrating the Elements”, as described in Exhibit B, Tab 1,
14 Schedule 4.

15

16 The IESO originally identified the need for transmission enhancements in the Woodstock
17 Area on page 17 of its “June 2006 Ontario Reliability Outlook Report”, and has
18 reaffirmed the need in Table 3 on page 11 of its recently released “March 2007 Ontario
19 Reliability Outlook Report”, which is provided in Exhibit B, Tab 6, Schedule 6.

20

21 The IESO carried out a SIA of the proposed facilities in accordance with the Grid
22 Connection Requirements of the Market Rules and the associated IESO Connection
23 Assessment and Approval Process. The IESO’s SIA, filed as Exhibit B, Tab 6, Schedule
24 3, indicates Hydro One’s proposed transmission solution is desirable and will not
25 adversely impact the IESO Controlled Grid.

26

1 The need for the proposed facilities was also confirmed in a Hydro One planning study
2 prepared with input from the LDCs in the Woodstock Area. A copy of the planning study
3 is filed as Exhibit B, Tab 6, Schedule 5.

4
5 Hydro One is in the process of completing a Customer Impact Assessment (“CIA”) in
6 accordance with its customer connection procedures, and preliminary results confirm
7 there are no adverse impacts on transmission customers as a result of this project. Hydro
8 One will file the CIA with the Board by March 23, 2007. The document will be filed as
9 Exhibit B, Tab 6, Schedule 4.

10
11 The total cost of the project is estimated to be \$71.6 million. The proposed new
12 transmission facilities are line connection assets with the costs to be funded through
13 incremental transmission Line Connection pool rates. Details of the project economics
14 are filed in Exhibit B, Tab 4, Schedule 3.

15
16 The design of the proposed facilities is in accordance with good utility practice and meets
17 the requirements of the Transmission System Code for licensed transmitters in Ontario.

18
19 Hydro One has consulted with stakeholders in the Woodstock Area to identify potential
20 concerns associated with the construction and operation of the proposed transmission
21 facilities. The feedback received from stakeholders was considered and incorporated into
22 the preparation of this Application. Details regarding the consultation process are filed as
23 Exhibit B, Tab 6, Schedule 7. Hydro One will continue to consult with the local
24 community, interested stakeholders and First Nations to ensure that potential concerns
25 identified as part of the Environmental Approvals process, and during the construction
26 phase, are addressed.

1 Letters of support for the proposed facilities have been obtained from the OPA,
2 Woodstock Hydro, and Erie Thames Powerlines as filed in Exhibit B, Tab 6, Schedule 2.

3
4 A detailed construction schedule is filed as Exhibit B, Tab 5, Schedule 2. This schedule
5 assumes Board leave to construct approval under Section 92 of the *OEB Act* by July
6 2007, and approvals under the Environmental Assessment Act by July 2007. This should
7 enable Hydro One to meet the required April 2010 in-service date.

8
9 Hydro One requests a written hearing for this proceeding and submits that the evidence
10 supports granting the requested Order based on the following grounds:

- 11
- 12 • The need for new line connection facilities has been established;
 - 13 • The need cannot be met through new generation resources or conservation and
14 demand management initiatives in the Woodstock Area;
 - 15 • The need for the project is supported by the LDCs in the Woodstock Area;
 - 16 • The need for the project is endorsed by the OPA and IESO;
 - 17 • The facilities will increase the capacity of the transmission system and the
18 availability of supply to the Woodstock Area;
 - 19 • The proposed facilities are consistent with the OPA's longer term plan for the
20 Woodstock Area, in that they provide additional capability for future load growth;
 - 21 • There are no adverse system or customer impacts from the project; and
 - 22 • The project will be fully compliant with the relevant codes, rules and licences.
- 23

24 For the reasons provided in support of this Application, Hydro One respectfully submits
25 that the proposed transmission line facilities are in the public interest and should be
26 approved under Section 92 of the *OEB Act*. Accordingly, Hydro One requests an Order
27 from the Board pursuant to Section 92 of the *OEB Act* granting leave to construct the
28 proposed transmission line facilities by July 2007.

1 from the Board pursuant to Section 92 of the *OEB Act* granting leave by July 2007 to
2 construct the line facilities for the proposed project.
3

Filed: March 9, 2007

EB-2007-0027

Exhibit A

Tab 3

Schedule 1

Page 1 of 1

1

PROCEDURAL ORDERS/AFFIDAVITS/CORRESPONDENCE

2

Filed: March 9, 2007

EB-2007-0027

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	Schematic Diagram of Existing Facilities
		4	Need for the Proposed Facilities
	2	1	Description of Proposed Facilities
		2	Maps Showing Location of Proposed Facilities
		3	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

<u>Exh</u>	<u>Tab</u>	<u>Schedule</u>	<u>Contents</u>
		2	Project Costs
		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	Letters of Endorsement for the Project
		3	IESO's System Impact Assessment
		4	Customer Impact Assessment
		5	Hydro One Woodstock Area Planning Study
		6	The Ontario Reliability Outlook March 2007
		7	Stakeholder and Community Consultation
		8	Land Matters