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**Susan Frank**

Vice President and Chief Regulatory Officer  
Regulatory Affairs

BY COURIER

January 22, 2014

Ms. Kirsten Walli  
Secretary  
Ontario Energy Board  
Suite 2700, 2300 Yonge Street  
P.O. Box 2319  
Toronto, ON.  
M4P 1E4

Dear Ms. Walli:

**EB-2013-0421 – Hydro One Networks' Section 92 – Supply to Essex County Transmission Reinforcement Project – Application and Evidence**

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I am attaching two (2) copies of the Hydro One Networks' Application and Prefiled Evidence in support of an Application pursuant to Section 92 of the Ontario Energy Board Act for an Order or Orders granting leave to construct 13 km of transmission line facilities in the Windsor – Essex area. Additionally, Hydro One requests that the Board endorse the methodology for allocation of upstream costs at the distribution level as proposed in this Application.

An electronic copy of the complete application has been filed using the Board's Regulatory Electronic Submission System (RESS) and the proof of successful submission slip is attached.

Hydro One Networks' contacts for service of documents associated with this Application are listed in Exhibit A, Tab 1, Schedule 1.

Sincerely,

ORIGINAL SIGNED BY SUSAN FRANK

Susan Frank

Attach

c. Charlene de Boer (electronic only)

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## APPLICATION

### ONTARIO ENERGY BOARD

**In the matter of** the *Ontario Energy Board Act, 1998*;

**And in the matter of** an Application by Hydro One Networks Inc. for an Order or Orders granting leave to construct new transmission line facilities (“Supply to Essex County Transmission Reinforcement “SECTR” Project”) in the Windsor – Essex region in southwestern Ontario.

1. The Applicant is Hydro One Networks Inc. (“**Hydro One**”), a subsidiary of Hydro One Inc. The Applicant is an Ontario corporation with its head office in the City of Toronto. Hydro One carries on the business, among other things, of owning and operating transmission facilities within Ontario.
2. Hydro One hereby applies to the Ontario Energy Board (“**the Board**”) pursuant to Section 92 of the *Ontario Energy Board Act, 1998* (“**the Act**”) for an Order or Orders granting leave to construct approximately 13 kilometers of transmission line facilities in the Windsor – Essex area. These facilities are required to:
  - a) address electricity supply capacity needs in the Windsor – Essex area;
  - b) minimize the impact of major transmission outages to customers in the area;and
  - c) ensure that Hydro One is compliant with the IESO’s Ontario Resource and Transmission Assessment Criteria.
3. The proposed transmission line project, between Leamington Junction (located along the Chatham Switching Station to Keith Transmission Station 230 kV

1 corridor) and a new transmission station, Leamington TS, in the municipality of  
2 Leamington, includes:

- 3 • Construction of approximately 13 km of new 230 kV double-circuit line on  
4 steel lattice towers on a new ROW;
- 5 • Installation of optic ground wire (“OPGW”) for system telecommunication  
6 purposes on top of the new 230 kV towers serving Leamington TS as well as  
7 new OPGW on the existing towers near Leamington Junction.

8

9 A map showing the general location of the proposed facilities is provided in  
10 **Exhibit B, Tab 2, Schedule 2.**

11

12 The proposed in-service date is May 2016.

13

14 4. The Ontario Power Authority (“OPA”) has determined the need for the project  
15 and the alternatives that were considered as part of the integrated plan for the  
16 Windsor-Essex area. The OPA’s evidence on the need for the project is filed at  
17 **Exhibit B, Tab 1, Schedule 5.**

18

19 5. The total cost of the line facilities for which Hydro One is seeking approval is  
20 estimate to be approximately \$45 million. The details are provided in **Exhibit B,**  
21 **Tab 4, Schedule 2.** The estimated cost of associated station work with the  
22 SECTR Project is \$32 million. The project economics as filed in **Exhibit B, Tab**  
23 **4, Schedule 3** indicate that the project will result in no increase in the Line  
24 Connection pool rate and a maximum increase of 0.51% in the Transformation  
25 Connection pool rate (\$0.01 increase). It is estimated that there is a minimal  
26 impact (0.01%) on the overall average Ontario consumer’s electricity bill.

27

28 6. The OPA has provided an assessment of the appropriate apportionment of the  
29 costs associated with the SECTR Project. The analysis concludes that 22.5%

1 should be allocated to transmission ratepayers due to system benefits and the  
2 remainder paid for by local load customers due to customer benefits. The OPA  
3 cost responsibility evidence is provided in **Exhibit B, Tab 4, Schedule 4.**

4  
5 7. In regard to the customer benefits and consistent with the OEB’s “beneficiary  
6 pays” principle, Hydro One has proposed an allocation of costs at the distribution  
7 level for the transmission investments associated with the SECTR Project. This  
8 methodology ensures fairness in the allocation of upstream transmission costs and  
9 avoids cross-subsidization at the distribution level among beneficiaries.  
10 Commencement of the SECTR project is contingent upon the Board endorsing the  
11 methodology as described in **Exhibit B, Tab 4, Schedule 5.**

12  
13 8. The SECTR Project is expected to have no significant environmental impacts. A  
14 Class EA was completed for the Project under the *Class Environmental*  
15 *Assessment for Minor Transmission Facilities* (“**Class EA**”) approved by the  
16 Ministry of the Environment (“**MOE**”). The Class EA process is described in  
17 **Exhibit B, Tab 6, Schedule 1.**

18  
19 9. The Independent Electricity System Operator (“**IESO**”) is currently finalizing a  
20 draft System Impact Assessment (“**SIA**”) of the proposed facilities to assess the  
21 impact of these facilities on the IESO-controlled grid. The Draft SIA is expected  
22 to be filed in February 2014 as **Exhibit B, Tab 6, Schedule 3.**

23  
24 10. Hydro One will file a Customer Impact Assessment (“**CIA**”) in accordance with  
25 its customer connection procedures, in March 2014. The CIA will be filed as  
26 **Exhibit B, Tab 6, Schedule 4.**

27  
28 11. Hydro One has consulted stakeholders in the Windsor – Essex area to identify  
29 potential concerns associated with the construction of the proposed transmission

1 facilities. The feedback received from stakeholders was considered and  
2 incorporated into the preparation of this Application. The stakeholder  
3 consultation process is described in **Exhibit B, Tab 6, Schedule 5**.  
4 Municipalities, LDCs, the WindsorEssex Economic Development Corporation,  
5 growers and their associations have provided letters of support that can be found  
6 in **Exhibit B, Tab 6, Schedule 2**. Hydro One will continue to communicate with  
7 stakeholders and the local community to ensure that potential concerns during the  
8 construction and commissioning stages of the proposed facilities are addressed.

9  
10 12. Details on the Hydro One engagement process with neighbouring First Nation and  
11 Métis communities is filed in **Exhibit B, Tab 6, Schedule 6**.

12  
13 13. New permanent land rights on properties from Leamington Junction to  
14 Leamington TS will be required to accommodate the proposed transmission  
15 facilities. Temporary rights for construction purposes will also be required at  
16 specific locations along the corridor. Further information regarding the real estate  
17 needs to complete this project are provided in **Exhibit B, Tab 6, Schedule 7**.

18  
19 14. This Application is supported by written evidence which includes details of the  
20 Applicant's proposal for the transmission reinforcement work. The written  
21 evidence is prefiled as attached and may be amended from time to time prior to  
22 the Board's final decision on this Application. Further, the Applicant may seek  
23 meetings with Board Staff and intervenors in an attempt to identify and reach  
24 agreements to settle any issues arising out of this Application.

25  
26 15. Hydro One requests a written hearing for this proceeding.

27  
28 16. Hydro One requests that a copy of all documents filed with the Board be served  
29 on the Applicant and the Applicant's counsel, as follows:

1 a) The Applicant:

2

3 Ms. Erin Henderson  
4 Senior Regulatory Coordinator  
5 Hydro One Networks Inc.

6

7 Mailing Address: 7<sup>th</sup> Floor, South Tower  
8 483 Bay Street  
9 Toronto, Ontario

10 M5G 2P5

11 Telephone: (416) 345-4479

12 Fax: (416) 345-5866

13 Electronic access: [regulatory@HydroOne.com](mailto:regulatory@HydroOne.com)

14

15 b) The Applicant's counsel:

16

17 Michael Engelberg  
18 Assistant General Counsel  
19 Hydro One Networks Inc.

20

21 Mailing Address: 15<sup>th</sup> Floor, North Tower  
22 483 Bay Street  
23 Toronto, Ontario

24 M5G 2P5

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**EXHIBIT LIST**

1  
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**Exh Tab Schedule Contents**

**A Administration**

- |   |   |                                             |
|---|---|---------------------------------------------|
| 1 | 1 | Application                                 |
| 2 | 1 | Exhibit List                                |
| 3 | 1 | Summary of Prefiled Evidence                |
| 4 | 1 | Procedural Orders/Affidavits/Correspondence |
| 5 | 1 | Notices of Motion                           |

**B Applicant's Prefiled Evidence**

- |   |   |                                                          |
|---|---|----------------------------------------------------------|
| 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                         |
|   | 5 | OPA Evidence on Need and Alternatives                    |
|   | 6 | IESO ORTAC Requirements                                  |
| 2 | 1 | Description of the Proposed Facilities                   |
|   | 2 | Map of Proposed Facilities                               |
|   | 3 | Schematic Diagram of Proposed Facilities                 |
|   | 4 | Cross Section of the Tower Types - Existing and Proposed |

<u>Exh</u>	<u>Tab</u>	<u>Schedule</u>	<u>Contents</u>
<b><u>B</u></b>	3	1	Alternatives Considered
	4	1	Project Costs, Economics, and Other Public Interest Considerations
		2	Project Costs
		3	Project Economics
		4	OPA Cost Responsibility Evidence
		5	Proposed Cost Allocation Methodology at the Distribution Level for Upstream
			Attachment 1: Transmission System Code Including Appendix 5
		6	Other Public Interest Considerations
	5	1	Construction and Project Administration
		2	Table Showing Proposed Construction and In-Service Schedule
	6	1	Other Matters / Agreements / Approvals
		2	Letters of Endorsement
			Attachment 1: Municipality of Leamington
			Attachment 2: Town of Kingsville
			Attachment 3: County of Essex
			Attachment 4: Ontario Greenhouse Vegetable Growers Association
			Attachment 5: Nature Fresh Farms
			Attachment 6: Orangeville Farms

<u>Exh</u>	<u>Tab</u>	<u>Schedule</u>	<u>Contents</u>
<u>B</u>	6	2	Attachment 7: Essex Powerlines Corp.  Attachment 8: WindsorEssex Economic Development Corporation  Attachment 9: Entegrus Powerlines Inc.
		3	IESO's System Impact Assessment
		4	Customer Impact Assessment
		5	Stakeholder and Community Consultation  Attachments 1: Example of Municipal and County Officials Correspondence  Attachment 2-3: Newspaper Advertisement & Flyer for PIC 1  Attachment 4-5: Newspaper Advertisement & Flyer for PIC 2  Attachment 6-7: Newspaper Advertisement & Direct Mail Postcard for PIC 3  Attachment 8: Sample Comment Form  Attachment 9: Notice of Completion of the Draft ESR  Attachment 10: Minister Letter to Hydro One Dated May 18, 2010  Attachment 11: Example of Municipal and County Officials Update  Attachment 12: Notification to Potentially Affected Property Owners
	6		First Nations & Métis Engagement  Attachment 1: First Nations and Métis Potential Interest Correspondence  Attachment 2: October 09, 2013 Hydro One Letter to Ministry of Energy

<b><u>Exh</u></b>	<b><u>Tab</u></b>	<b><u>Schedule</u></b>	<b><u>Contents</u></b>
<b><u>B</u></b>	6	6	Attachment 3: November 04, 2013 Ministry of Energy Letter to Hydro One  Attachment 4: Hydro One Engagement Activities
		7	Land Matters  Attachment 1: Offer to Grant an Easement  Attachment 2: Off Corridor Temporary Access and Access Road  Attachment 3: Temporary Construction License Agreement  Attachment 4: Damage Claim Agreement and Release



1 Hydro One will file a Customer Impact Assessment (“CIA”) in accordance with its  
2 customer connection procedures, in March 2014. The CIA document will be filed as  
3 **Exhibit B, Tab 6, Schedule 4.**

4  
5 The total cost of the SECTR Line Project is estimated to be \$45 million. Coincident with  
6 the transmission line facilities that Hydro One is seeking approval for, station work will  
7 be undertaken at an estimated cost of \$32 million. The proposed new transmission  
8 facilities will be included in both the line connection pool and the transformation  
9 connection pool revenue requirements as the new facilities will address both system  
10 needs and load customer needs. Details of the project economics are filed in **Exhibit B,**  
11 **Tab 4, Schedule 3.**

12  
13 In conjunction with the Hydro One application to the Board for an order granting leave to  
14 construct transmission line facilities, Hydro One also requests that the Board endorse the  
15 proposed cost allocation methodology at the distribution level for the customer-related  
16 transmission investments associated with the SECTR Project provided in **Exhibit B, Tab**  
17 **4, Schedule 5.** This methodology, modelled on cost responsibility provisions of the  
18 Transmission System Code, ensures fairness in the allocation of upstream transmission  
19 costs and avoids cross-subsidization at the distribution level among beneficiaries. In an  
20 effort to ensure regulatory certainty for ratepayers (including Hydro One Distribution,  
21 embedded local distribution companies and large commercial distributon customers) a  
22 decision on a methodology for allocating, at the distribution level, the upstream  
23 customer-related investment costs is required in order for Hydro One to proceed with the  
24 SECTR Project.

25  
26 The design of the proposed facilities is in accordance with good utility practice and meets  
27 the requirements of the *Transmission System Code* for licensed transmitters in Ontario.

1 The SECTR Project is subject to the *Class Environmental Assessment for Minor*  
2 *Transmission Facilities* process, in accordance with the Ontario *Environmental*  
3 *Assessment Act*. Agency and public comments received during the draft Environmental  
4 Study Report review and comment period were addressed and documented in the final  
5 ESR, which was filed with the Ministry of the Environment in July 2010. Prior to  
6 construction, Hydro One will obtain all regulatory approvals, licences and permits, as  
7 required. Details on the environmental assessment process are filed in **Exhibit B, Tab 6,**  
8 **Schedule 1.**

9  
10 Hydro One has consulted with affected property owners and stakeholders in the project  
11 study area. The purpose of the consultation was to identify potential concerns associated  
12 with the construction activities of the proposed transmission facilities. The feedback  
13 received from stakeholders was considered and incorporated into the preparation of this  
14 Application. Details regarding the consultation process are filed as **Exhibit B, Tab 6,**  
15 **Schedule 5.** Hydro One will continue to work with the local community and landowners  
16 and will ensure that potential concerns identified as part of the Environmental Approval  
17 process and during the construction phase are addressed.

18  
19 Hydro One is undertaking an engagement process with neighbouring First Nations  
20 communities. In 2008 Hydro One advised the Ontario Ministry of Aboriginal Affairs  
21 (“MAA”) and Indian and Northern Affairs Canada (“INAC”) of the SECTR project and  
22 requested input on First Nation and Métis interests in the area. The MAA advised that  
23 the project did not appear to be located in an area where First Nation existing or asserted  
24 rights could be impacted by the SECTR Project. INAC determined that Specific Claims  
25 have been submitted by Caldwell First Nation, Walpole Island First Nation, Chippewas  
26 of Kettle and Stony Point, Chippewas of the Thames First Nation, Oneida Nation of the  
27 Thames, Munsee-Delaware Nation, and Moravian of the Thames First Nation. In  
28 addition, they recommended that Hydro One apprise Aamjiwnaang First Nation of the

1 SECTR Project. Further information on Hydro One's engagement process with First  
2 Nations and Métis is filed in **Exhibit B, Tab 6, Schedule 6.**

3  
4 Hydro One requests a written hearing for this proceeding and submits that the evidence  
5 supports granting the requested Order based on the following grounds:

- 6 • The need for additional supply in the Windsor-Essex area and the need to  
7 minimize the impact of supply interruptions has been established;
- 8 • There should be no adverse system or anticipated customer impacts from the  
9 project;
- 10 • The project will be fully compliant with the relevant codes, rules and licences;
- 11 • There will be a minor customer total bill impact (approximately 0.01%) as a result  
12 of the new line facilities.

13  
14 In order for the proposed project to proceed, it must be considered to be in the "public  
15 interest". Subsection 96(2) of the Act specifies that, for section 92 purposes, "the Board  
16 shall only consider the interests of consumers with respect to prices and the reliability and  
17 quality of electricity service" and "where applicable and in a manner consistent with the  
18 policies of the Government of Ontario, the promotion of the use of renewable energy  
19 sources." Hydro One submits that the proposed facilities are in the public interest  
20 because:

- 21 • The existing capability of the transmission system in the Windsor - Essex area is  
22 not sufficient to serve the anticipated future electricity demand resulting from  
23 population growth and economic activity;
- 24 • The SECTR Project is a cost-effective solution to achieving this objective;
- 25 • The need for the SECTR Project has been determined by the OPA and the Project  
26 is supported by multiple parties in the Windsor - Essex area. The support of these  
27 parties is documented in 9 letters of endorsement provided in **Exhibit B, Tab 6,  
28 Schedule 2;**

- 1 • There will be no material impact on the price of electricity; and  
2 • The cost responsibility methodology proposed is consistent with the Transmission  
3 System Code and the Ontario Energy Board’s “beneficiary pays” principles.  
4

5 For the reasons provided above, Hydro One respectfully submits that the proposed  
6 transmission line facilities should be approved under section 92 of the Act. Accordingly,  
7 Hydro One requests an Order from the Board pursuant to section 92 of the Act granting  
8 leave to construct the proposed transmission line facilities. In addition, Hydro One  
9 requests that the Board endorse the methodology for allocation of upstream costs at the  
10 distribution level as set out in this Application.

1      **PROCEDURAL ORDERS/AFFIDAVITS/CORRESPONDENCE**

**NOTICES OF MOTION**

1     **PROJECT LOCATION AND EXISTING TRANSMISSION SYSTEM**

2  
3     **1.0     PROJECT LOCATION**

4  
5     The Supply to Essex County Transmission Reinforcement (“SECTR”) Project described  
6     in **Exhibit B, Tab 2, Schedule 1**, is located in the Windsor – Essex region of  
7     Southwestern Ontario.

8  
9     The Windsor - Essex region comprises the Town of Amherstburg, Town of Essex, Town  
10    of Kingsville, Town of Lakeshore, Town of La Salle, Municipality of Leamington,  
11    Township of Pelee, Town of Tecumseh, City of Windsor, and western portions of the  
12    Municipality of Chatham-Kent. Electricity distribution in the region is carried out by  
13    ENWIN Powerlines Ltd., Essex Powerlines Corporation, Essex-Lakeshore-Kingsville  
14    (E.L.K.) Inc., Entegrus Power Lines Inc., and Hydro One Distribution.

15  
16    A map of the existing facilities is provided in **Exhibit B, Tab 1, Schedule 2**, and a  
17    schematic electrical diagram of the existing facilities is provided in **Exhibit B, Tab 1,**  
18    **Schedule 3.**

19  
20    **2.0     EXISTING TRANSMISSION FACILITIES IN WINDSOR – ESSEX**

21  
22    The 230 kV and 115 kV transmission lines in the Windsor – Essex region provide supply  
23    to load stations, connect generating stations to the bulk electricity system, and connect  
24    the Ontario transmission system with the Michigan transmission system. The main  
25    transmission corridor in the region provides for the connection of the region with the rest  
26    of the Hydro One system at Chatham Switching Station (“SS”) in the Municipality of  
27    Chatham-Kent. Two 230 kV double-circuit lines, C21J/C23Z and C22J/C24Z, run east-  
28    west in this corridor, located south of Highway 401, from Chatham SS to Sandwich  
29    Junction in the Town of Lakeshore. The circuits are reconfigured at this location and 230

1 kV double-circuit line C21J/C22J continues west to Keith TS in Windsor, while 230 kV  
2 double-circuit line C23Z/C24Z runs northwest in another corridor to Lauzon TS in  
3 Windsor.

4  
5 The main 115 kV transmission corridor runs through the city of Windsor from Keith TS  
6 through Essex TS to Lauzon TS. Double-circuit line J3E/J4E located in this corridor  
7 connects Keith TS with Essex TS, and double-circuit line Z1E/Z7E connects Essex TS  
8 with Lauzon TS. Other 115 kV transmission corridors provide for circuits K2Z and K6Z.  
9 115 kV circuits E8F and E9F running from Essex TS to Ford Windsor MTS are  
10 underground cables and provide supply to four stations dedicated to the automotive  
11 industry.

12  
13 The major transmission station in the Windsor-Essex region is Keith TS which provides  
14 an inter-connection with the Michigan transmission system via 230 kV circuit J5D and an  
15 in-line phase shifter. The two 230 kV stations in the region, Keith TS and Lauzon TS,  
16 connect the region's 115 kV network to the 230 kV transmission system via two 230/115  
17 kV autotransformers in each station.

18  
19 There are six customer-owned generating plants in the region connecting at the 230 kV  
20 and 115 kV levels: Brighton Beach CGS, West Windsor Power CGS, East Windsor CGS,  
21 Windsor TransAlta CGS, Gosfield WFCGS and Pointe-Aux-Roches WFCGS with a  
22 combined contract capacity of 927 MW.

23  
24 Voltage support is provided in the region by capacitor banks at Keith TS, Lauzon TS,  
25 Crawford TS, Essex TS, Kingsville TS, Walker TS, Belle River TS and Malden TS.

26  
27 Post contingency thermal and voltage concerns exist in the Windsor – Essex region, and  
28 these concerns are managed with a Special Protection System (“SPS”), the Windsor Area  
29 Special Protection Scheme. This SPS assists in managing thermal overload by splitting

1 the bus at Essex TS, rejection of generation at Brighton Beach CGS, and rejection of load  
2 at Kingsville TS and Belle River TS. The SPS assists in managing voltage concerns by  
3 rejecting load at Kingsville TS following the detection of sustained low voltage at the  
4 station.

5  
6 For the purpose of this evidence, the transmission system in the Windsor-Essex area can  
7 be divided into the following nested subsystems (see Figure 1 below):

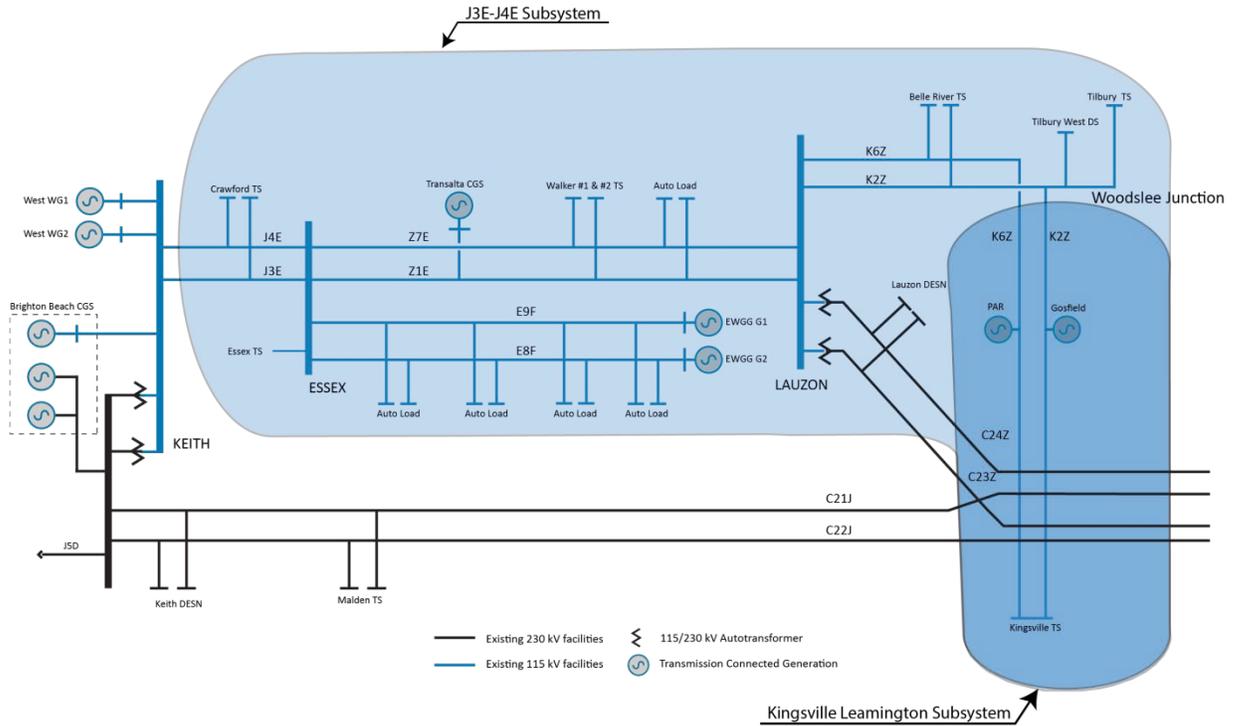
- 8
- 9 • The Kingsville-Leamington Subsystem: customers are supplied from Kingsville TS.
  - 10 • The J3E-J4E Subsystem: customers supplied from the 230/115 kV autotransformers  
11 at Keith TS and Lauzon TS via the 115 kV system, as well as customers supplied  
12 directly from Lauzon TS via 230/27.6 kV transformers. The Kingsville-Leamington  
13 subsystem is nested within the J3E-J4E subsystem.

14  
15 Although part of the overall Windsor–Essex region, Keith TS and Malden TS which are  
16 supplied from circuits C21J and C22J are not included in any of the subsystems as there  
17 are no supply adequacy issues associated with them.

18

1

**Figure 1: Subsystems representation**



2

3

## **MAP OF EXISTING FACILITIES**



Date: Nov 18, 2013  
 Produced By: Inergi LP, GIS Services  
 Map13-114\_Windsor\_Essex\_ExistingFacilities  
 (C) Copyright Hydro One Networks Inc. All rights reserved. No part of this drawing may be redistributed or reproduced in any form by any photographic, electronic, mechanical or any other means, or used in any information storage or retrieval system. Neither Hydro One Networks Inc. nor any of its affiliates assumes liability for any errors or omissions.  
 Produced by Hydro One under Licence with the Ontario Ministry of Natural Resources  
 ©Queen's Printer for Ontario, 2009  
 NOT TO BE REPRODUCED OR REDISTRIBUTED CONFIDENTIAL TO HYDRO ONE NETWORKS INC.

- Transformer and Switching Stations
- ▲ Junction Stations
- 230 kV Existing Transmission Line
- 115 kV Existing Transmission Line

- Major Highways
- Roads
- Railway

- ▭ Municipal Boundary
- Water

### Windsor Essex Area Existing Facilities

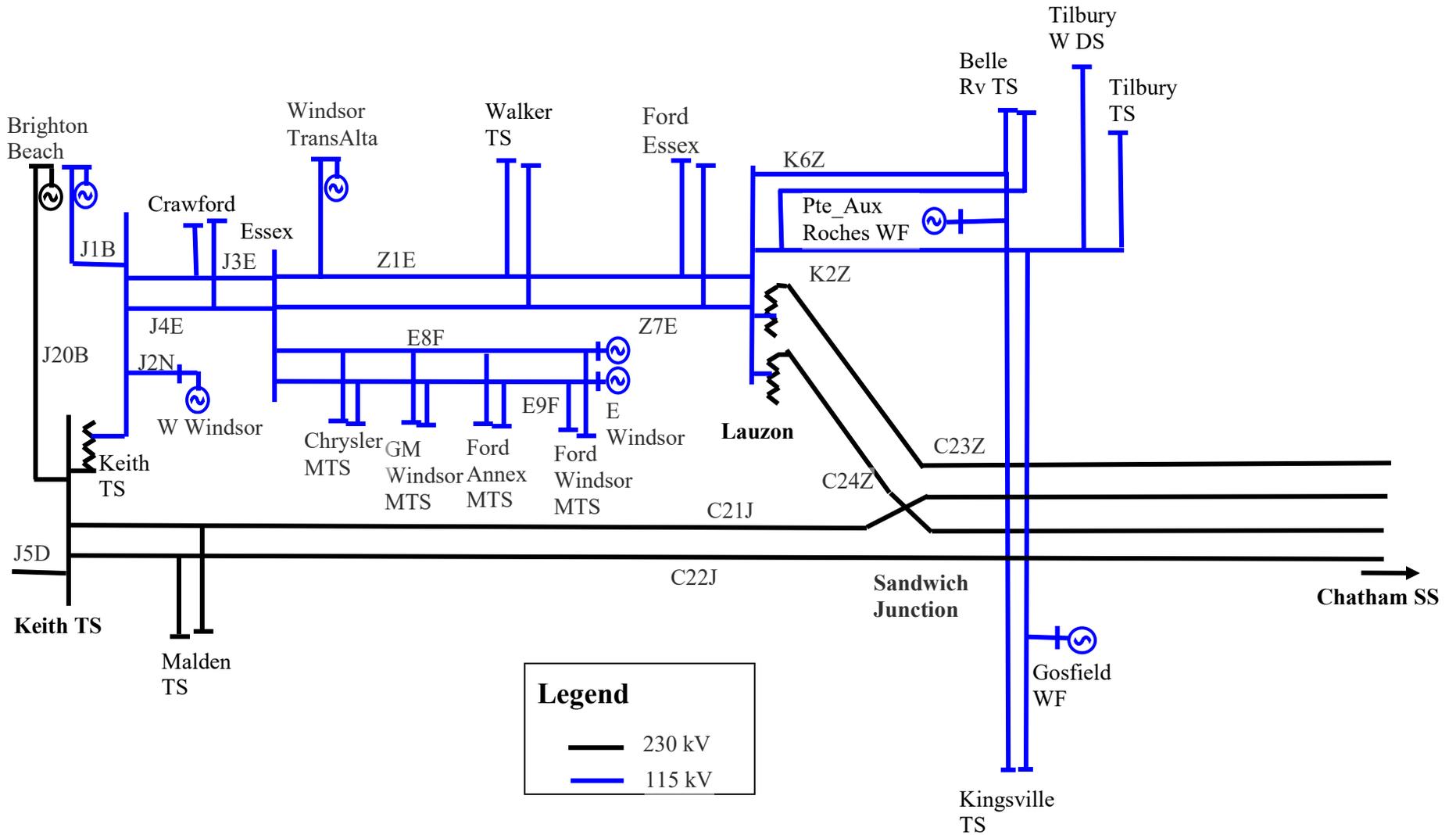


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1  
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### SCHEMATIC DIAGRAM OF EXISTING FACILITIES



## NEED FOR THE PROPOSED FACILITIES

### 1.0 BACKGROUND

This Schedule describes the need to reinforce the transmission system in the Windsor - Essex region to address transmission capacity, restoration and congestion issues in the area.

The Windsor – Essex region has a well-established history in manufacturing and farming, in particular greenhouse vegetable production. The region is a major regional load centre in Ontario, and had a combined peak demand of over 1,000 MW in the years before 2008 but has been below 1,000 MW since 2008, a reflection of the severe economic downturn in the region. However, future demand growth in the region is forecast and is expected to be largely driven by the load growth in the Kingsville-Leamington subsystem. The growth in demand in this subsystem is largely attributable to projected growth in the greenhouse sector (as indicated by customer connection requests and the current outlook for expansion of existing greenhouse operations) and anticipated growth from new operations. This area is well known for its greenhouses and has the largest concentration of greenhouse vegetable production in North America. This concentration of greenhouses is expected to intensify over the next five years.

The recent closure of the Heinz plant in Leamington is not expected to have a significant impact on the area demand forecast, reaffirmed by the Mayor of Leamington in his letter of support available for reference at **Exhibit B, Tab 6, Schedule 2 Attachment 1**

The OPA, in the 2007 Integrated Power System Plan (“IPSP”) report, identified a preferred plan involving transmission reinforcement to address reliability needs related to the transmission system in the Windsor-Essex area. In 2008 Hydro One commenced

1 project development work, including environmental assessment, for the reinforcement of  
2 the transmission system to address these needs. In 2010, development activities were put  
3 on hold as a result of substantial reduction in the load in the region following the 2008  
4 economic downturn. However, as stated in the OPA need evidence, referenced in  
5 **Exhibit B, Tab 1, Schedule 5**, recent studies based on the latest demand forecast confirm  
6 that the system inadequacies identified in earlier studies will worsen over the next 20  
7 years and there is a need to proceed with the transmission improvements.

## 8 9 **2.0 NEED**

10  
11 The OPA has provided evidence on the need for the Supply to Essex County  
12 Transmission Reinforcement (“SECTR”) Project in **Exhibit B, Tab 1, Schedule 5**  
13 (**“OPA Need Evidence”**). This evidence has identified near-term supply capacity and  
14 other reliability needs in the Windsor – Essex region. Specifically, there is a need for  
15 additional supply capacity in the Kingsville–Leamington 115 kV subsystem, and a need  
16 to minimize the impact of supply interruptions to customers in the J3E-J4E subsystem.

## 17 18 **3.0 RELEVANT TRANSMISSION PLANNING GUIDELINES**

19  
20 The IESO’s Ontario Resource and Transmission Assessment Criteria (**“ORTAC”**) (see  
21 **Exhibit B, Tab 1, Schedule 6**) establishes the technical criteria for assessing the  
22 adequacy and security of the IESO controlled grid, and for assessing the need for  
23 transmission system enhancements. ORTAC requires that the transmission system must  
24 be planned to meet certain criteria. The transmission planning criteria that pertain to the  
25 need for the transmission reinforcement proposed (i.e., a new 230/27.6 kV Leamington  
26 TS and a new 230 kV two-circuit supply line) in this application are as follows:

1 i. Transmission Equipment Thermal Overload Criteria – All line and equipment  
2 loadings shall be within their continuous ratings and within their long-term  
3 emergency ratings with one element out of service.

4  
5 The OPA Need Evidence shows that in the Kingsville-Leamington subsystem circuit  
6 K6Z would be overloaded in the summer period following the outage of circuit K2Z.  
7 Also in this subsystem, the Kingsville TS is close to its thermal capacity following the  
8 outage of one transformer.

9  
10 i. Voltage Performance Criteria – The voltages at all buses are to be within ORTAC  
11 specified limits before and after a recognized contingency. In addition, bus voltage  
12 change following a recognized contingency must be within specified limits.

13  
14 The OPA Need Evidence shows that in the Kingsville-Leamington subsystem, circuit  
15 K2Z would not be capable of supporting adequate bus voltages following the outage of  
16 circuit K6Z.

17  
18 ii. Load Restoration Criteria – All load interrupted following a contingency must be  
19 restored within approximately 8 hours. If the load amount exceeds 150 MW, the  
20 amount in excess of 150 MW must be restored in 4 hours. If the load amount exceeds  
21 250 MW, the amount in excess of 250 MW must be restored in 30 minutes.

22  
23 As stated in the OPA Need Evidence, there is insufficient restoration capability in the  
24 J3E-J4E subsystem to restore all the load interrupted following a contingency involving  
25 double-circuit 230 kV circuits C23Z and C24Z. By 2017, up to 125 MW of the load  
26 interrupted cannot be restored.

27

1 **4.0 PROJECT CATEGORIZATION**

2  
3 **4.1 Project Classification (Development, Connection, Sustainment)**

4  
5 Per the Board's Filing Guidelines, the first stage of project categorization is the  
6 classification of a project as development, connection, or sustainment:

- 7  
8 • Development projects are those for providing (i) an adequate supply capacity and/or  
9 maintaining an acceptable or prescribed level of customer or system reliability for  
10 load growth meeting increased stresses on the system; or (ii) enhancing system  
11 efficiency such as minimizing congestion on the transmission system and reducing  
12 system losses.  
13 • Connection projects are those for providing connection of a load or generation  
14 customer or group of customers to the transmission system.  
15 • Sustainment projects are those for maintaining the performance of the transmission  
16 network at its current standard or replacing end-of-life facilities on a "like for like"  
17 basis.

18  
19 Based on the above criteria the SECTR Project is classified as a Development and  
20 Connection Project, as it incorporates elements of these two project types:

21  
22 The development part of the project is to:

- 23 • provide supply capacity increase for meeting the needs of the Kingsville-Leamington  
24 subsystem into the long-term;  
25 • minimize the impact of supply interruptions to customers in the Windsor – Essex  
26 region; and,  
27 • relieve congestion of generation connected at Keith TS.

1 The connection part of the project is to:

- 2 • provide for the connection of expected new load in the Kingsville – Leamington area  
3 to the transmission system.

4  
5 **4.2 Need Classification**

6  
7 The second stage of project categorization is to distinguish whether the project need is  
8 determined beyond the control of the Applicant (“non-discretionary”) or determined at  
9 the discretion of the Applicant (“discretionary”). Non-discretionary projects may be  
10 triggered or determined by such things as:

- 11  
12 a) mandatory requirement to satisfy obligations specified by regulatory organizations  
13 including NPCC/NERC or by the Independent Electricity System Operator (IESO);  
14 b) a need to connect new load (of a distributor or large user) or new generation  
15 (connection);  
16 c) a need to address equipment loading or voltage/short circuit stresses when their rated  
17 capacities are exceeded;  
18 d) projects identified in a Board or provincial government approved plan;  
19 e) projects that are required to achieve provincial government objectives that are  
20 prescribed in governmental directives or regulations; and  
21 f) a need to comply with direction from the Ontario Energy Board in the event it is  
22 determined that the transmission system’s reliability is at risk.

23  
24 The SECTR Project is considered non-discretionary, as it will:

- 25 • Enable ORTAC requirements to be met;  
26 • accommodate new load; and,  
27 • mitigate circuit overloading where the load level has exceeded capacity.

1 The following table captures these two dimensions of the project categorization.

2

		<b>PROJECT NEED</b>	
		Non-discretionary	Discretionary
<b>Project Class</b>	Development	<b>X</b>	
	Connection	<b>X</b>	

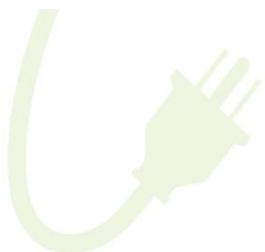
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**OPA EVIDENCE ON NEED AND ALTERNATIVES**

# Supply to Essex County Transmission Reinforcement Project

Ontario Power Authority

January, 2014



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## 1 **1 Executive Summary**

2 Near-term supply capacity and restoration needs have been identified in the Windsor-Essex area.  
3 Demand in the Kingsville-Leamington subsystem has exceeded the supply capacity in recent  
4 years and is expected to continue to exceed the supply capacity over the 20 year forecast period.  
5 In addition, the J3E-J4E subsystem, which covers a large portion of the Windsor-Essex area,  
6 does not comply with prescribed Ontario Resource and Transmission Assessment Criteria  
7 (“ORTAC”) restoration criteria. To address these needs, the Ontario Power Authority (“OPA”)  
8 recommends an integrated package composed of 1) conservation and demand management,  
9 2) distributed generation resources, and 3) transmission reinforcements in the Windsor-Essex  
10 area.

11 Conservation and demand management along with distributed generation resources are important  
12 contributors to the integrated solution for addressing the needs of the Windsor-Essex area.  
13 Together, these resources are expected to offset more than 90% of the growth in the area  
14 between 2014 and 2033.

15 The balance of the Windsor-Essex area’s needs can be addressed by the new Supply to Essex  
16 County Transmission Reinforcement (“SECTR”) project, plus planned sustainment work in the  
17 area. The SECTR project consists of the installation of a new 230 kV-supplied transformer  
18 station (“TS) near Leamington (approximately \$32 million) connected to the existing C21J/C22J  
19 circuits via a new 13 km double-circuit 230 kV connection line (approximately \$45 million).  
20 The estimated completion date for the SECTR project is 2016. In conjunction with transferring  
21 the majority of the load from the existing Kingsville TS to the new Leamington TS, the  
22 Kingsville TS will be downsized, increasing the cost effectiveness of the overall solution.  
23 Together these facilities will meet the supply capacity needs of the Kingsville-Leamington area  
24 over the forecast period. The addition of a new supply point will also substantially meet the  
25 restoration needs of the J3E-J4E subsystem.

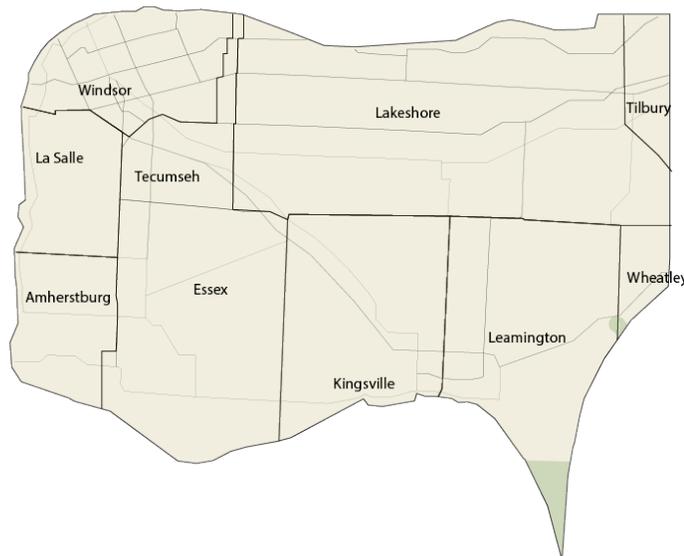
26 It is the OPA’s view that this integrated solution is a cost-effective and technically-effective  
27 solution for meeting the capacity and reliability needs of the Windsor-Essex area. This  
28 integrated solution benefits both local customers and transmission ratepayers. The OPA  
29 therefore proposes that the cost of the project be allocated between local customers and

1 transmission ratepayers in accordance with the Ontario Energy Board’s (“Board”) beneficiary  
2 pays principle, as explained in Exhibit B, Tab 4, Schedule 4.

## 3 **2 Introduction**

4 The Windsor-Essex area, for the purpose of regional planning encompasses the City of Windsor  
5 and Essex County in southwestern Ontario. It includes the City of Windsor, the Municipality of  
6 Leamington, the Town of Amherstburg, the Town of Essex, the Town of Kingsville, the Town of  
7 Lakeshore, the Town of LaSalle, the Town of Tecumseh, and the Township of Pelee, as well as  
8 the western portion of the Municipality of Chatham-Kent. This area is shown in Figure 1 below.

9 **Figure 1: The Windsor-Essex Regional Planning Study Area**



10

11 Source: OPA

12 The population in the area is about 400,000<sup>1</sup> people and has been steady over recent years.<sup>2</sup> The  
13 Windsor-Essex area has a long history as an industrial hub of Ontario, owing largely to the long-

<sup>1</sup> *Population counts, for Canada, provinces and territories, census divisions, population centre size groups and rural areas, 2011 Census*, Statistics Canada. At <https://www12.statcan.gc.ca/census-recensement/2011/dp-pd/hltfst/pd-pl/Table-Tableau.cfm?LANG=Eng&T=703&SR=1&S=80&O=A&RPP=99&CMA=0&PR=35>.

1 term presence of several automotive manufacturing facilities. It also has a strong agri-business  
2 centered around the towns of Kingsville and Leamington.

3 In terms of electricity use, the Windsor-Essex area had a peak electricity demand of  
4 approximately 800 MW in the summer of 2013. Five local distribution companies (“LDCs”)  
5 provide distribution service in the area, including EnWin Utilities Ltd. (serving the City of  
6 Windsor), Essex Powerlines Corporation, E.L.K. Energy Inc., Entegrus Inc., and Hydro One  
7 Distribution. Of these five, EnWin Utilities Ltd. and Hydro One Distribution are connected  
8 directly to the transmission system, while the remainder are embedded within the Hydro One  
9 distribution system.

10 Planning to meet the electrical needs of a large area or region is done through a regional planning  
11 process that considers the interrelated needs of the region over a 20 year planning horizon and  
12 seeks to address them through an integrated range of solutions. The plan, termed an Integrated  
13 Regional Resource Plan (“IRRP”), takes into consideration, among other things, the electricity  
14 requirements, anticipated growth and existing electricity infrastructure. The outcome of the  
15 regional planning process is an integrated plan to guide electricity infrastructure investments,  
16 resource development and procurement decisions for the region.

17 Prior to the formalization of the IRRP planning process, regional planning activities were  
18 undertaken in the Windsor-Essex area. The first regional plan was developed as part of the  
19 OPA’s 2007 Integrated Power System Plan. That plan identified three aspects of the electricity  
20 supply in this area that were not in compliance with the Ontario Independent Electricity System  
21 Operator’s (“IESO”) reliability planning standards: 1) inadequate supply capacity in the east part  
22 of the region, 2) unreliable load restoration capability for the overall Windsor-Essex area supply,  
23 and 3) inadequate transmission capacity for delivering the available generation capacity located  
24 in the west part of Windsor to the Ontario grid. A number of solutions to address these  
25 inadequacies were identified, including conservation measures, and a transformer station in the  
26 Leamington area.

<sup>2</sup> The population of the City of Windsor has been steady between 2009 and 2012. See *Population of census metropolitan areas, 2009 to 2012*, Statistics Canada. At <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/demo05a-eng.htm>.

1 Shortly thereafter, the economic downturn in 2008 and 2009 had a significant impact on  
2 electricity demand in the Windsor-Essex area; peak demand in the area was reduced by nearly  
3 20%. In light of this, development activities associated with the proposed Leamington TS were  
4 placed on hold. In the intervening years, the electricity demand and other developments in the  
5 Windsor-Essex area have been monitored closely.

6 In 2010 a regional planning group was formed consisting of representatives of the five LDCs in  
7 the area, as well as Hydro One Transmission, the IESO and the OPA. An updated assessment of  
8 the reliability needs for the 20 year period to 2030 was presented to the working group in the  
9 summer of 2011. At that time, demand in the area had not recovered sufficiently from the  
10 economic downturn, and the study concluded that there was no immediate need for augmenting  
11 the existing electricity supply in the area. Accordingly, the working group recommended  
12 continued monitoring of demand growth in the area and implementation of minor improvements  
13 on the distribution system.

14 Based on updated customer and LDC demand information, Hydro One Distribution is now  
15 forecasting robust growth for agri-business (greenhouse expansions) in the Kingsville-  
16 Leamington area. Based on this current demand forecast, a recent study confirms that the system  
17 inadequacies identified in the earlier studies will worsen and there is a need to proceed with the  
18 demand and supply side improvements that were earlier identified.

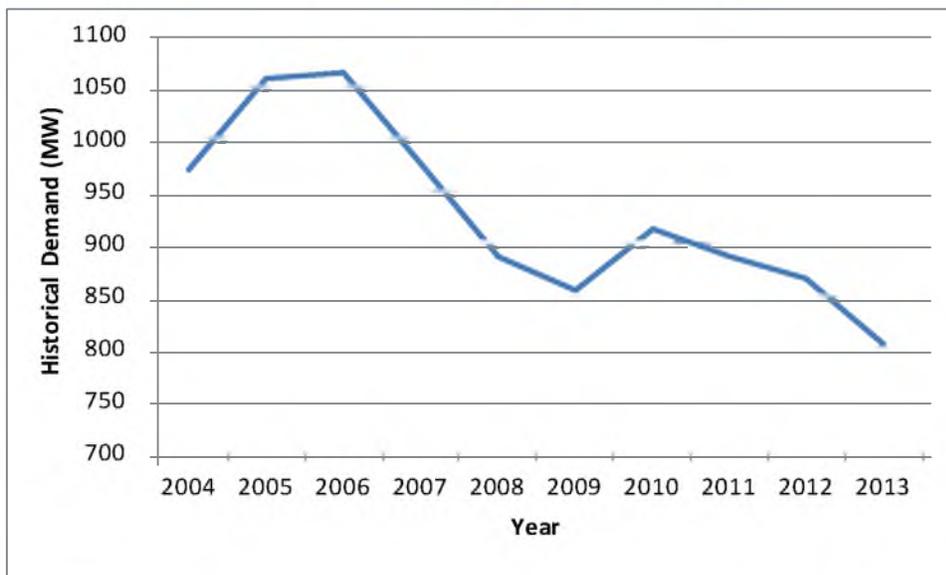
19 The purpose of this evidence is to explain the reliability needs which have re-emerged in the  
20 Windsor-Essex area, and to recommend an integrated solution – i.e. conservation and demand  
21 management (“CDM”) and distributed generation (“DG”), along with transmission and  
22 distribution investments – to address these needs. Based on expected growth in electricity  
23 demand in the Windsor-Essex area, these recommended solutions will provide an adequate level  
24 of capacity to serve the increased forecast demand and improve the reliability of overall  
25 electricity supply in the area to 2033 or beyond.

### 3 Historical and Forecast Electricity Demand

#### 3.1 Historical Electricity Demand in the Windsor-Essex Area

Figure 2 shows the historical peak net demand for electricity recorded for the Windsor-Essex area from 2004 to 2013. Since peaking at approximately 1,060 MW in the summer of 2006, peak electricity demand has declined to approximately 800 MW in 2013, representing a reduction of about 24%. The economic downturn beginning in 2008 contributed to this reduction. The impacts of CDM achievement and DG development in the area have also been contributing factors.

Figure 2: Windsor-Essex Area Historical Electricity Demand<sup>3</sup>



Source: OPA

A large concentration of automotive manufacturing facilities is located in the City of Windsor and represents a major economic driver and electricity user within the Windsor-Essex area. This sector has not been immune to the challenges facing Ontario's manufacturing sector, nor to the economic downturn, both of which have resulted in a decline in electricity use.

<sup>3</sup> Historical electricity demand reflects the weather experienced at the time of system peak.

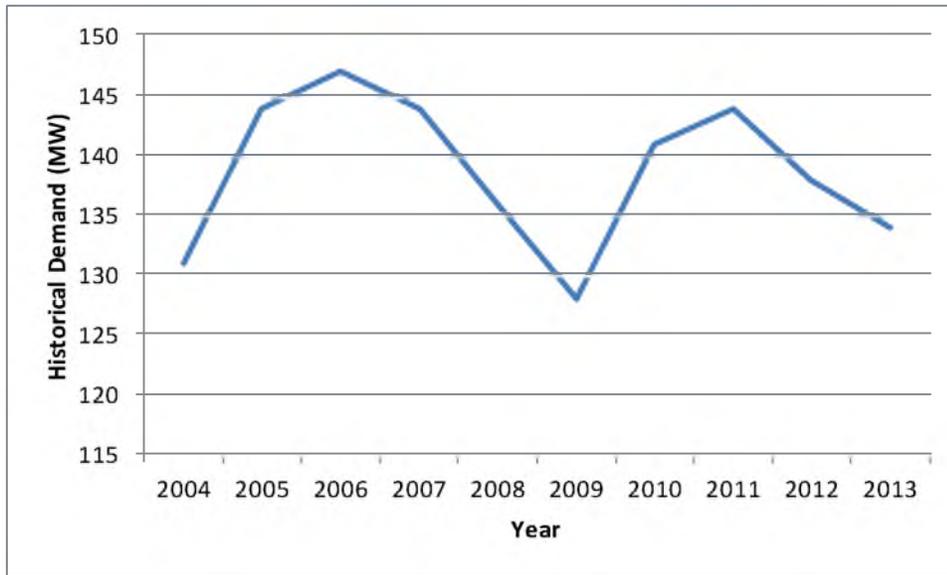
1 While the manufacturing sector continues to face recovery challenges in the Windsor-Essex area,  
2 economic diversification is changing the region's growth and electricity use. The 2011 Windsor-  
3 Essex Regional Economic Roadmap identifies nine industry groups that hold potential for the  
4 Windsor-Essex region, including advanced manufacturing, tourism, and agri-business.<sup>4</sup> Essex  
5 County contains the largest concentration of greenhouse vegetable production in North  
6 America.<sup>5</sup> This sector is expected to experience major growth in the future, with much of the  
7 activity taking place in the Kingsville-Leamington area.

8 As shown in Figure 3 below, peak demand in the Kingsville-Leamington area has experienced  
9 similar fluctuations as the Windsor-Essex area since 2004. However, in 2013, the demand in the  
10 Kingsville-Leamington area was roughly the same as in 2004, whereas the demand in the  
11 Windsor-Essex area as a whole was significantly lower as previously discussed. Similar to the  
12 broader Windsor-Essex area, the impact of CDM and DG has contributed to a reduction in peak  
13 demand in the Kingsville-Leamington area. Within the Kingsville-Leamington area, there was  
14 approximately 14 MW of effective capacity of distributed generation connected at Kingsville TS  
15 by the summer of 2013, none of which was connected in 2004.

<sup>4</sup> *Windsor-Essex Regional Economic Roadmap*, Windsor Essex Economic Development Corporation, February 2011.

<sup>5</sup> County of Essex website. At <http://www.countyofessex.on.ca/wps/wcm/connect/COE/COE/ABOUT+ESSEX+COUNTRY/>.

1 **Figure 3: Kingsville-Leamington Historical Electricity Demand<sup>6</sup>**



2  
3 Source: OPA

### 4 **3.2 Future Electricity Demand Outlook for the Windsor-Essex Area**

5 The latest update of the area's electricity demand forecast indicates significant growth in the  
6 Kingsville-Leamington area in east Essex due to planned greenhouse expansion. That growth is  
7 predominantly attributable to forecast growth in the greenhouse sector as indicated by customer  
8 connection requests received by Hydro One Distribution, the current outlook for expansion of  
9 existing greenhouse operations, and anticipated growth from new operations. Such growth  
10 expectations are based on approved and proposed development plans provided by the  
11 Municipalities of Leamington and Kingsville, and a survey completed by the Ontario  
12 Greenhouse Vegetable Growers on behalf of local greenhouse growers.

13 Similarly, the population of Kingsville is expected to increase by 0.5% per year over the next  
14 decade, which is higher than the slight population decline expected in the Windsor-Essex area  
15 overall during the 2014 to 2033 planning horizon.<sup>7</sup>

<sup>6</sup> Historical electricity demand reflects the weather experienced at the time of system peak.

<sup>7</sup> Windsor-Essex Economic Development Corporation website. At [www.choosewindsorsex.com](http://www.choosewindsorsex.com).

1 The future demand outlook for the Windsor-Essex area was translated into a summer peak gross  
2 electricity demand forecast, which was developed by the area LDCs. That forecast was  
3 influenced by a number of factors such as economic, household and population growth. Hydro  
4 One Distribution has indicated that the recent announcement regarding the closure of a large  
5 food processing facility in the area is not expected to have a material impact on the gross demand  
6 forecast as demand for electricity at this facility was primarily during non-summer months.

7 The following sections discuss how CDM and DG contribute to the planning forecast developed  
8 for the Windsor-Essex area's peak electricity demand.

### 9 **3.3 Contribution of CDM and DG to the Electricity Demand Forecast**

10 The OPA's planning forecast identifies the peak electricity demand that must be served by the  
11 transmission system. In developing the planning forecast, the gross demand forecast serves as  
12 the starting point. Next, the impact of CDM (defined as reducing or shifting electricity  
13 consumption), must be factored into future electricity usage. Finally, the impact of DG  
14 (generation which is connected alongside load on the distribution system and has the effect of  
15 reducing the amount of demand that must be supplied via transformer stations and related  
16 transmission facilities) must be factored in.

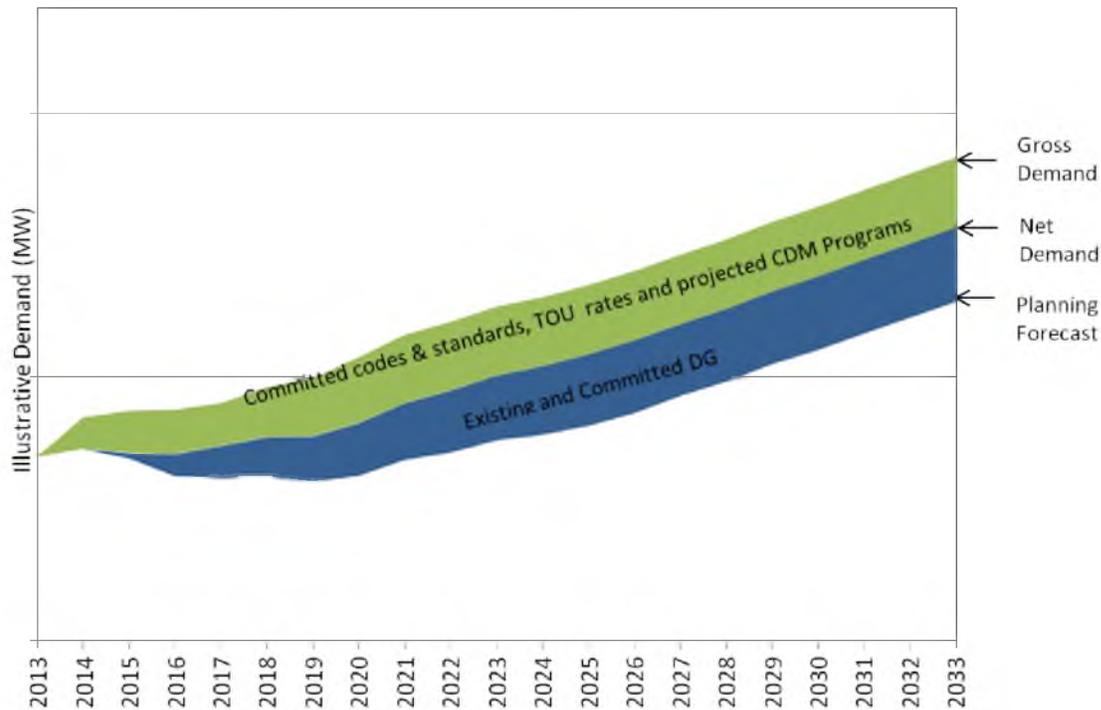
17 To summarize, the OPA, working with the LDCs, undertook the following process to assess the  
18 Windsor-Essex area's planning forecast:

- 19 (a) First, "gross demand" is established. Gross demand reflects the forecast developed by  
20 the area LDCs and is influenced by a number of factors such as economic, household and  
21 population growth.
- 22 (b) Second, the OPA estimates "net demand" by reducing the gross demand by expected  
23 savings from improved building codes and equipment standards, customer response to  
24 time-of-use pricing, and projected province-wide CDM programs.
- 25 (c) Lastly, the OPA determines the "planning forecast" by reducing net demand by the  
26 contribution in the area from existing, committed and forecast DG.

27 It should be noted that these forecasts reflect extreme weather conditions.

28 Gross demand, net demand, and the planning forecast are illustrated in Figure 4 below.

1 **Figure 4: Developing the Planning Forecast**



2  
3 Source: OPA

4 **3.3.1 Developing Net Demand: Windsor-Essex Area Conservation Forecast**

5 As noted above, the future demand outlook for the Windsor-Essex area was translated into a  
6 gross demand forecast by the area LDCs. Next, the CDM forecast was used to determine the net  
7 demand.

8 The OPA develops CDM savings forecasts to meet province-wide CDM targets. The expected  
9 peak demand reduction from CDM in the Windsor-Essex area is then developed based on an  
10 allocation of the province-wide CDM savings forecast.

11 In December 2013, Ontario’s Long-Term Energy Plan (“2013 LTEP”) established a long-term  
12 conservation target of 30 TWh by 2032. In the near term, Ontario’s LDCs have a peak demand  
13 reduction target of 1,330 MW to be achieved by 2014 and the government is currently  
14 developing a new “Conservation First” CDM Framework for 2015-2020, which will include  
15 assigning conservation goals to LDCs. The long-term conservation target is expected to offset  
16 most of the growth in electricity demand to 2032 in each regional area, including the Windsor-  
17 Essex area.

1 The CDM targets are expected to be met by peak reductions achieved through improved building  
2 codes and equipment standards, customer response to time-of-use pricing, and projected CDM  
3 programs.

4 Based on an allocation of the province-wide CDM savings forecast to meet the 2013 LTEP  
5 target, about 65 MW in peak demand reduction is expected to be achieved through improved  
6 building codes and equipment standards and customer response to time-of-use pricing within the  
7 Windsor-Essex area by 2033. An additional 107 MW in planned peak demand reduction is  
8 expected to result from province-wide CDM programs in the Windsor-Essex by the same year.

### 9 **3.3.2 Developing the Planning Forecast: Windsor-Essex Area Distributed Generation** 10 **Forecast**

11 The DG forecast is used to determine the planning forecast. DG resource development in  
12 Ontario has been encouraged by the *Green Energy and Green Economy Act, 1998* and associated  
13 procurements, including the Feed-In Tariff (“FIT”) program. These procurements take into  
14 consideration the system need for generation as well as cost.

15 One aspect related to DG that should be noted is that wind and solar generation are variable  
16 resources, which are not always available at the time of system peak. Therefore, the full  
17 installed capacity of these facilities cannot be relied upon to meet the Windsor-Essex area’s  
18 requirements. The OPA estimates that the existing and contracted distributed renewable  
19 generation (almost entirely made up of wind and solar resources) in the Windsor-Essex area will  
20 contribute approximately 47 MW of effective capacity to meeting area peak demand in 2014.<sup>8</sup>

21 In addition to the distributed renewable generation described above, Great Northern Tri-Gen is  
22 an 11 MW gas-fired combined heat and power (“CHP”) generation station located at  
23 Kingsville TS. In addition to producing electricity and heat, Great Northern Tri-Gen also  
24 produces carbon dioxide for use in greenhouse operations. The recent growth in the Kingsville-  
25 Leamington greenhouse industry has led to local interest in this type of CHP application.

26 Finally, in 2013 the OPA received a directive from the Minister of Energy to continue procuring  
27 additional renewable generation as part of the FIT program until 2017. These FIT procurements

<sup>8</sup> Effective capacity is the portion of installed capacity that contributes at the time of system peak.

1 are subject to annual procurement targets of 200 MW from 2014 to 2017. Based on recently  
2 completed FIT procurements, the OPA estimates that approximately 3% of each annual target  
3 will be contracted in the Windsor-Essex area.

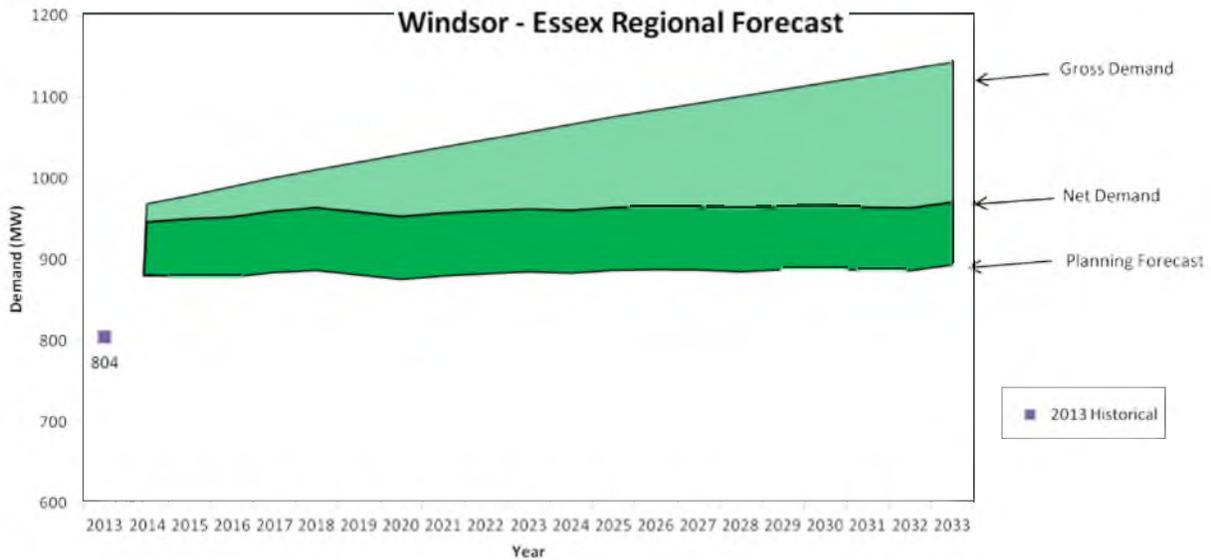
4 In total, approximately 80 MW of effective capacity is expected from DG resources in the  
5 Winsor-Essex area by 2033. This contribution is added to the net forecast to generate the  
6 planning forecast.

### 7 **3.4 Windsor-Essex Regional and Kingsville-Leamington Area Planning Forecast**

8 In this section, the planning forecast for the Windsor-Essex area and the Kingsville-Leamington  
9 area are explained. The planning forecast for the Kingsville-Leamington area is particularly  
10 important since significant growth is anticipated to be concentrated in that area due to planned  
11 greenhouse expansion.

12 The summer peak demand planning forecast of the Windsor-Essex area is shown in Figure 5,  
13 along with the gross demand and net demand for the area. Within the Windsor-Essex area, the  
14 planned peak demand reduction between 2014 and 2033 is approximately 150 MW from CDM,  
15 and approximately 15 MW from DG. The peak demand reduction from CDM and DG is  
16 expected to offset about 94% of the forecast gross demand growth in the area between 2014 and  
17 2033.

1 **Figure 5: Planning Forecast for the Windsor-Essex Area<sup>9</sup>**

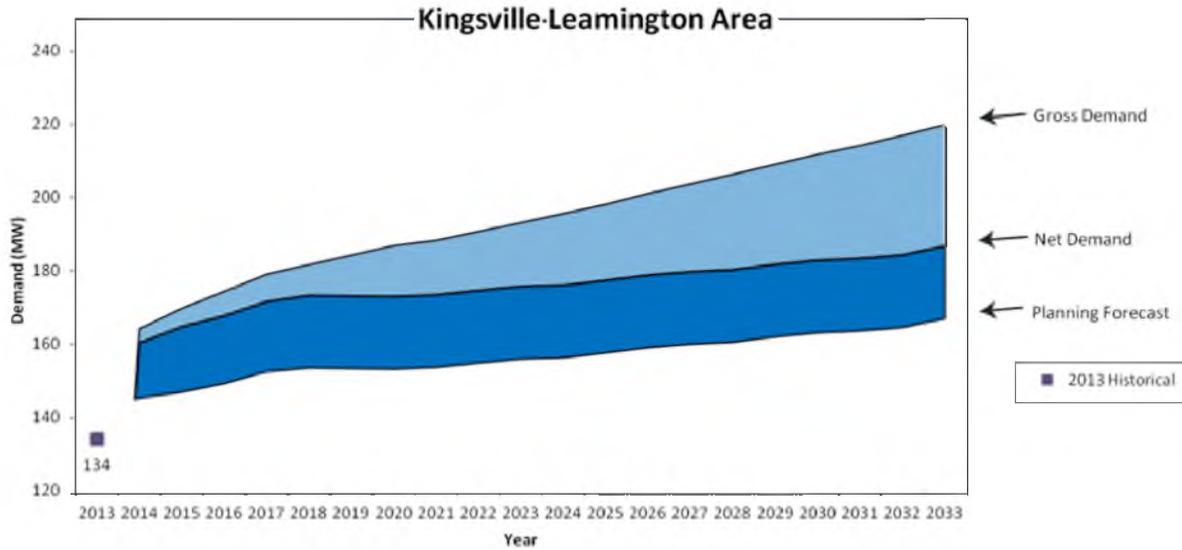


2  
3 Source: OPA

4 Within the Windsor-Essex area, the strongest growth in electricity demand is expected in the  
5 Kingsville-Leamington area. The summer peak demand planning forecast for this area is shown  
6 in Figure 6 below. The planned peak demand reduction between 2014 and 2033 for Kingsville-  
7 Leamington area is approximately 29 MW from CDM, and approximately 6 MW from DG. The  
8 peak demand reduction from CDM and DG is expected to offset about 63% of the forecast gross  
9 demand growth in the area between 2014 and 2033.

<sup>9</sup> 2013 value reflects actual electricity demand and weather.

1 **Figure 6: Planning Forecast for the Kingsville-Leamington Area<sup>10</sup>**



2  
3 Source: OPA

#### 4 **4 Windsor-Essex Area Electricity Supply**

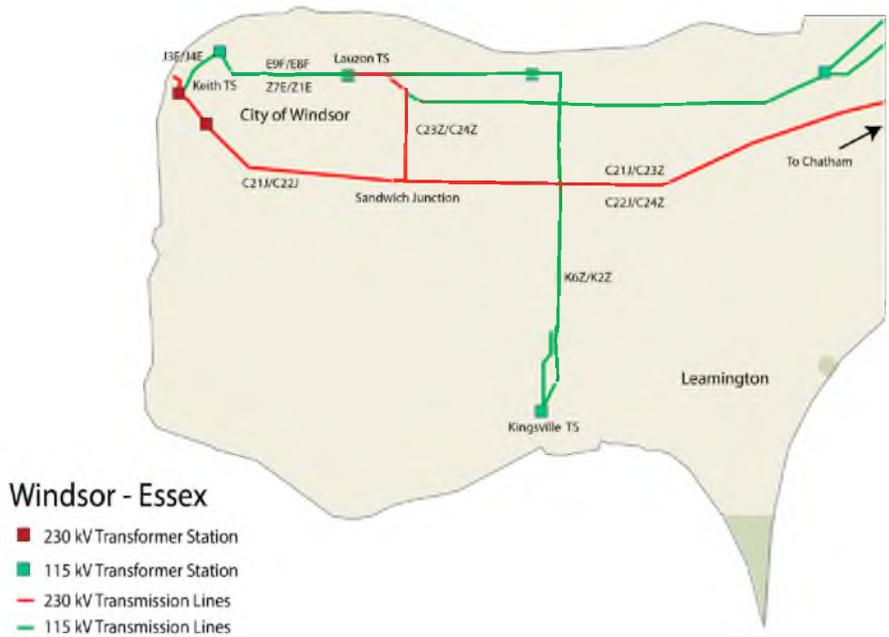
5 The Windsor-Essex area is supplied from a combination of generation located in the region and  
6 from the Ontario grid via a network of 230 kV and 115 kV transmission lines and stations. The  
7 following section will describe the salient aspects of this system, its capabilities and limitations.

##### 8 **4.1 Transmission in the Windsor-Essex Area**

9 The transmission system serving the Windsor-Essex area is comprised of two major 230 kV  
10 transmission lines running from east to west through the area, and a number of 115 kV  
11 transmission lines as shown in Figure 7 below.

<sup>10</sup> 2013 value reflects actual electricity demand and weather.

1 **Figure 7: Windsor-Essex Area Transmission Facilities**

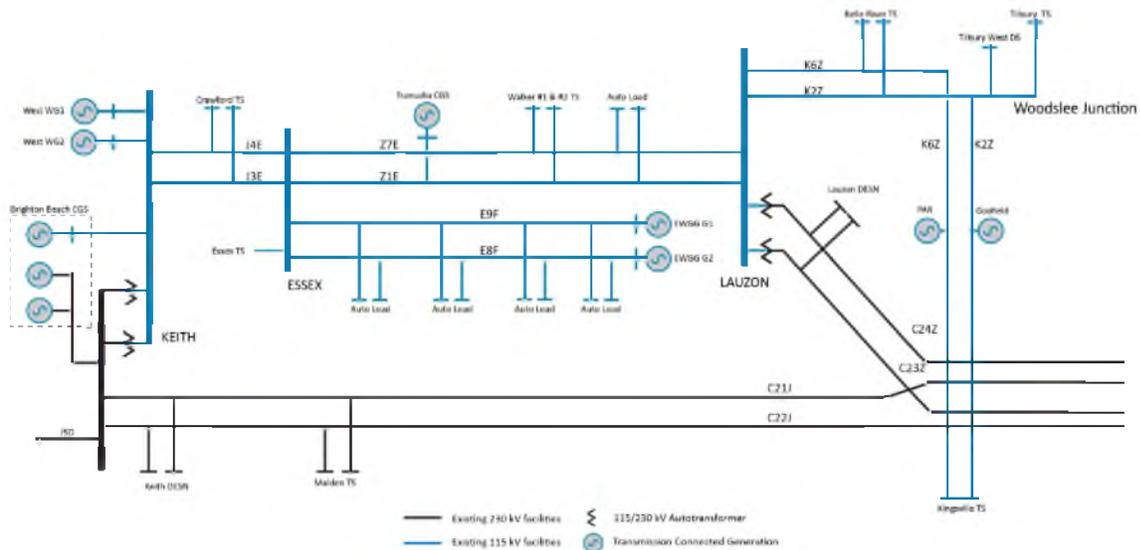


2  
3 Source: OPA

4 The main 230 kV transmission corridor running east-west through the area connects the area to  
5 the bulk transmission system at the Chatham Switching Station (“SS”), near the City of  
6 Chatham. This corridor contains two 230 kV double-circuit transmission lines: C21J/C23Z and  
7 C22J/C24Z. At Sandwich Junction (indicated in Figure 7) the 230 kV circuits are reconfigured  
8 into C21J/C22J and C23Z/C24Z pairs, and these double-circuit lines proceed to Keith TS and  
9 Lauzon TS respectively (the two main supply points for the Windsor-Essex area). Two  
10 autotransformers at each of Keith TS and Lauzon TS connect these stations to the 115 kV  
11 system, described in further detail below. The Ontario system is also interconnected with the  
12 Michigan electricity system through an interconnection at Keith TS, including an in-line phase  
13 shifter.

14 The City of Windsor is largely supplied by a 115 kV network between Keith TS and Lauzon TS.  
15 The urban network is connected to Keith TS and Lauzon TS via the transmission lines J3E/J4E  
16 and Z1E/Z7E, respectively. The area east of Windsor is supplied by two 115 kV transmission  
17 lines, K2Z and K6Z, connected radially to Lauzon TS. This system supplies the communities of  
18 Belle River, Kingsville, Leamington, Tilbury, and surrounding areas. The electrical connectivity  
19 for the region is depicted in Figure 8 below.

1 **Figure 8 Windsor - Essex Area Transmission System**



2  
3 Source: OPA

4 Approximately 65% of the Windsor-Essex area’s load is supplied by the 115 kV system, with the  
5 remainder supplied by transformers connected directly to the 230 kV system. Given the large  
6 proportion of load which is supplied by the 115 kV system, the reliability of supply via the two  
7 supply points at Keith TS and Lauzon TS is especially important.

8 **4.2 Transmission Connected Generation in the Windsor-Essex Area**

9 In addition to the transmission supply in the Windsor-Essex area, there are four existing  
10 transmission connected natural gas-fired generating stations in the region: Brighton Beach  
11 Power Station (“Brighton Beach GS”), West Windsor Power, TransAlta Windsor and the East  
12 Windsor Cogeneration Centre. These stations have a total generating capacity of approximately  
13 787 MW. The largest of these is Brighton Beach GS, a combined cycle generating facility, with  
14 a capacity of 526 MW. The other three are CHP facilities with a total capacity of 261 MW.

15 Over recent years, renewable generation has been playing an increasingly important role in  
16 meeting Ontario’s energy needs. Major renewable energy investments began with three  
17 Renewable Energy Supply (“RES”) competitive procurement processes. Since then, the OPA  
18 has carried out a number of renewable procurement initiatives including the Renewable Energy  
19 Standard Offer Program (“RESOP”), and the FIT program. Throughout this time there has been

1 significant interest in renewable energy development in the Windsor-Essex area. To date, 100  
2 MW of transmission connected wind generation with connection points inside the study area has  
3 come into service.

4 As previously discussed, wind generation is an intermittent resource which is not always  
5 available at the time of system peak. The full installed capacity of these wind facilities therefore  
6 cannot be relied upon to meet the Windsor-Essex area's electricity needs. The OPA estimates  
7 that the 100 MW of transmission connected wind generation will contribute approximately  
8 16 MW of effective capacity to meeting area peak demand.<sup>11</sup>

9 The transmission connected generating stations and their contract expiry dates (where  
10 applicable) are listed in Table 1, below. The West Windsor Power and TransAlta Windsor  
11 facilities both have expiry dates in 2016, the former prior to the summer peak demand period for  
12 that year, the latter after the peak of the year. Given their near-term expiry dates, these two  
13 facilities have not been assumed to be available over the 20 year planning horizon.

<sup>11</sup> As described in Section 3.3.2, effective capacity is that portion of installed capacity that contributes at the time of system peak.

1 **Table 1: Transmission Connected Generation Facilities in the Windsor-Essex Area**

Technology	Station Name	Contract Expiry Date	Connection Point	Contract Capacity (MW)	Summer Effective Capacity (MW)
<b>Combined Cycle Generating Facility</b>	Brighton Beach Power Station	December 31, 2024	Keith TS	541	526
<b>Combined Heat and Power (CHP)</b>	West Windsor Power	May 31, 2016	J2N (Keith TS)	128	107
	TransAlta Windsor	December 1, 2016	Z1E	74	74
	East Windsor Cogeneration Centre	November 5, 2029	E8F/E9F	84	80
<b>Renewables</b>	Gosfield Wind Project	January 12, 2029	K2Z	51	8
	Point Aux Roches Wind Farm	December 5, 2031	K6Z	49	8

2  
3 Source: OPA

4 **5 Reliability Needs in the Windsor-Essex Area**

5 The IESO’s ORTAC (Exhibit B, Tab 1, Schedule 6) establishes planning criteria and  
6 assumptions for assessing the present and future reliability of Ontario’s transmission system.  
7 These criteria are used to assess the reliability needs of the Windsor-Essex area.

8 Supply Capacity

9 In accordance with ORTAC, the transmission system supplying a local area (i.e., subsystem)  
10 shall have sufficient capability under peak demand conditions to withstand specific outages  
11 prescribed by ORTAC while keeping voltages and line and equipment loading within applicable  
12 limits. More specifically, the maximum demand that can be supplied by the remaining system  
13 following the outage of a single element, as prescribed by ORTAC, is the “supply capacity” or

# Notice of Completion of the Draft Environmental Study Report Supply to Essex County Transmission Reinforcement

Hydro One Networks Inc. (Hydro One) has completed the draft Environmental Study Report for the Supply to Essex County Transmission Reinforcement Project. Based on an analysis of technical, environmental and socio-economic factors, and public and stakeholder feedback, Hydro One is proposing the staged construction of the following new transmission facilities (see map) to reinforce the electricity transmission system in Essex County and ensure an adequate and reliable supply of power for the future:

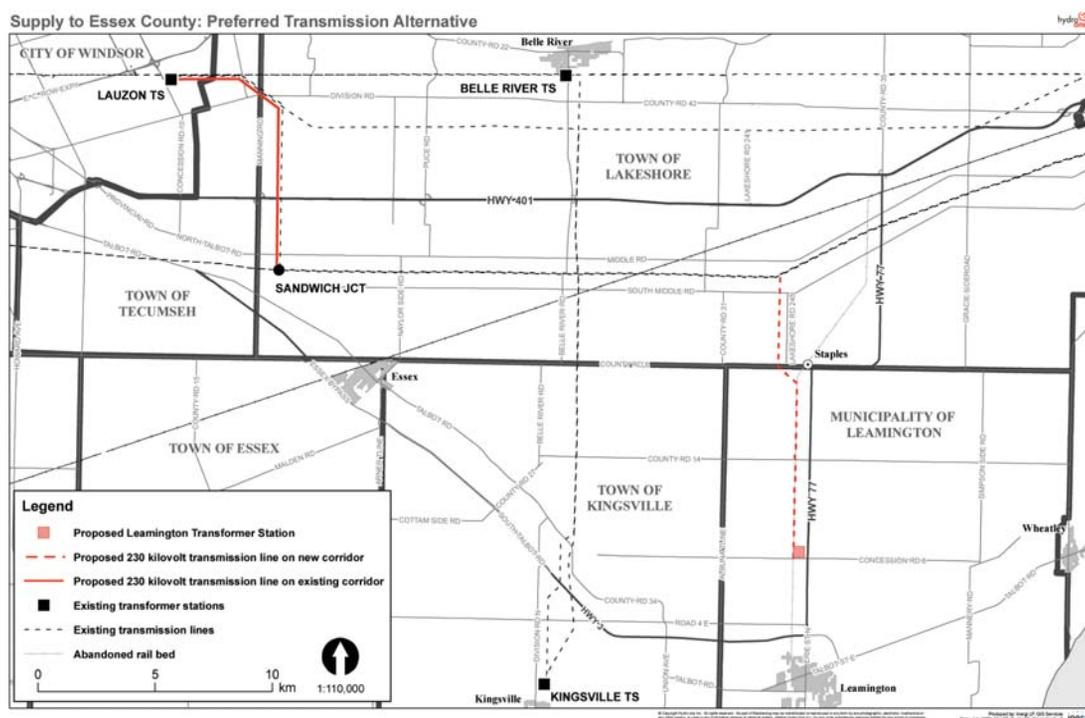
- Stage 1: a new transformer station (TS) on Concession Road 6 in the Municipality of Leamington and a new double circuit 230 kilovolt (kV) transmission line on a new corridor to connect the station to the existing 230 kV lines south of Highway 401 in the Town of Lakeshore; and
- Stage 2: an additional double circuit 230 kV transmission line on the existing transmission corridor between Sandwich Junction and Lauzon TS in the City of Windsor.

This study was conducted in accordance with the *Class Environmental Assessment for Minor Transmission Facilities*, approved under the provincial *Environmental Assessment Act*. Construction of the proposed facilities is also subject to Section 92 of the *Ontario Energy Board Act, 1998*. Hydro One is planning to submit an application to the Ontario Energy Board later this year seeking approval to construct the first stage of this project, with a targeted in-service date of 2013 for the Leamington TS and connector line.

## How to Submit Your Input

In accordance with the Class Environmental Assessment process, Hydro One is making the draft Environmental Study Report (ESR) available for public review and comment for 30 days, from February 11, 2010 to March 12, 2010. The draft ESR can be viewed or downloaded from Hydro One's website: [www.HydroOne.com/projects](http://www.HydroOne.com/projects). A copy of the draft ESR is available in the Clerk's department at the following municipal offices, and at the public libraries listed below.

Municipality of Leamington 38 Erie Street North Tel: 519-326-5761	Leamington Library 1 John Street Tel: 519-326-3441
Town of Lakeshore 419 Notre Dame Street Belle River Tel: 519-728-2700	Tecumseh Library 13675 St. Gregory's Road Tel: 519-735-3670
Town of Tecumseh 917 Lesperance Road Tel: 519-735-2184	Forest Glade – Optimist Library 3211 Forest Glade Drive Windsor Tel: 519-255-6770
Comber Library 6400 Main Street Tel: 519-687-2832	Woodslee Library 1925 South Middle Road Tel: 519-975-2433
Kingsville Library 28 Division Street South Tel: 519-733-5620	



Written questions or comments on the draft ESR must be received by Hydro One no later than 4:30 p.m. E.S.T. on Friday, March 12, 2010. Please address correspondence to:

Patricia Staite, Environmental Planner  
 Hydro One Networks Inc.  
 483 Bay Street, South Tower, 4<sup>th</sup> Floor  
 Toronto, ON M5G 2P5  
 Email: [patricia.staite@HydroOne.com](mailto:patricia.staite@HydroOne.com)  
 Tel: 1-877-345-6799; Fax: 416-345-6919

Hydro One will respond to and make best efforts to resolve any issues raised by concerned parties during the public review period. If no concerns are expressed, the ESR will be finalized and filed with the Ministry of the Environment. The project will be considered acceptable and will proceed as outlined in the draft ESR.

The *Environmental Assessment Act* has provisions that allow interested parties to ask for a higher level of assessment for a Class EA project if they feel that outstanding issues have not been adequately addressed by Hydro One. This higher level of assessment is referred to as a Part II Order request. Such requests must be addressed in writing to the Minister of the Environment and received no later than 4:30 p.m. E.S.T. on March 12, 2010, at the following address:

Ministry of the Environment  
 135 St. Clair Avenue West, 12<sup>th</sup> Floor  
 Toronto, ON M4V 1P5

Please note that a duplicate copy of a Part II Order request must also be sent to Hydro One at the address noted above.

Ministry of  
the Environment

Office of the Minister

77 Wellesley Street West  
11<sup>th</sup> Floor, Ferguson Block  
Toronto ON M7A 2T5  
Tel.: 416 314-6790  
Fax: 416 314-6748

Ministère de  
l'Environnement

Bureau du ministre

77, rue Wellesley Ouest  
11<sup>e</sup> étage, édifice Ferguson  
Toronto ON M7A 2T5  
Tél. : 416 314-6790  
Téléc. : 416 314-6748



ENV1283MC-2010-1370

MAY 18 2010

Ms. Patricia Statie  
Hydro One Networks Inc.  
Environmental Planner  
483 Bay Street, South Tower, 4<sup>th</sup> Floor  
Toronto ON M5G 2P5

Dear Ms. Statie:

On February 23 and 24, 2010, I received two requests from members of the public that Hydro One Networks Inc. (Hydro One) be required to prepare an individual environmental assessment (EA) for the proposed Supply to Essex County Transmission Reinforcement Project (Project).

I am taking this opportunity to inform you that I have decided that an individual EA is not required. This decision was made after giving careful consideration to the issues raised in the request, the Project documentation, the provisions of the Class Environmental Assessment for Minor Transmission Facilities (Class EA), and other relevant matters required to be considered under subsection 16(4) of the *Environmental Assessment Act* (EAA). The reasons for my decision may be found in the attached letters to the requesters.

With this decision having been made, Hydro One may now proceed with the Project, subject to any other permits or approvals required. Hydro One must implement the Project in the manner it was developed and designed, as set out in the Draft Environmental Study Report (ESR) and inclusive of all mitigating measures and environmental and other provisions therein. In accordance with the Class EA, any commitments made to affected agencies or members of the public must be fulfilled and implemented as part of the proposed project.

Ms. Patricia Statie

Page 2.

Lastly, I would like to ensure that Hydro One understands that failure to comply with the EAA, the provisions of the Class EA, and failure to implement the Project in the manner described in the Draft ESR, are contraventions of the EAA and may result in prosecution under section 38 of the Act. I am confident that Hydro One recognizes the importance and value of the EAA and will ensure that its requirements and those of the Class EA are satisfied.

Sincerely,

A handwritten signature in black ink, appearing to read 'John Gerretsen', written over a faint, illegible typed name.

John Gerretsen  
Minister of the Environment

c: EA File: 06-07 Supply to Essex County Transmission Reinforcement Project  
(Hydro One)



[www.HydroOne.com](http://www.HydroOne.com)

December 10, 2013

Mayor John Paterson  
and Members of Council  
Municipality of Leamington  
Leamington, ON  
N8H 2Z9

**VIA EMAIL**

Dear Mayor Paterson & Council:

**Hydro One to seek approval to build Leamington Transformer Station (TS)**

I am writing to update you on the status of Hydro One's Supply to Essex County Transmission Reinforcement Project. Hydro One completed the Environmental Assessment for this project in 2010 following an extensive consultation process. Due to economic conditions at that time, Hydro One decided to defer seeking Ontario Energy Board (OEB) approval to build the project until the Ontario Power Authority (OPA) had an opportunity to further review the long-term electricity needs of the Windsor-Essex area.

The OPA, in its regional supply planning discussions with Hydro One and the local distribution companies (LDCs) in Essex County, has determined that new transmission facilities are needed in the Kingsville/Leamington area to address future growth in electricity demand and anticipated expansion in the local agricultural sector. The new facilities would also contribute to improved reliability of electricity supply in the broader Windsor-Essex region.

As noted in Ontario's updated Long-Term Energy Plan, *Achieving Balance*, released on December 2, 2013, Hydro One has resumed planning for the Leamington TS and associated connector line. Hydro One intends to file a "Leave to Construct" application with the OEB early in 2014 seeking approval under Section 92 of the *Ontario Energy Board Act, 1998* to construct the facilities shown on the attached map. The project would include: a new transformer station on Hydro One-owned property on Mersea Road 6 adjacent to the municipal utility corridor in the Municipality of Leamington; and a new 13-kilometre double circuit 230 kilovolt (kV) transmission line on a new corridor to connect the station to the existing 230 kV transmission line south of Highway 401 in the Town of Lakeshore. Cost recovery for the transmission expansion will also be established during the approvals process.

As with the environmental assessment process, the OEB's review of Hydro One's "Leave to Construct" application will include opportunities for public involvement, in this case through a formal hearing process. Hydro One will be communicating with local stakeholders and potentially-affected property owners in the coming weeks to inform them of our intent to seek approval to construct these facilities.

Following receipt of Hydro One's application, the OEB will issue a *Notice of Application and Hearing* which will outline the process for those who wish to be involved in the public hearing. Hydro One will publish the Notice in local and regional newspapers and send it to all project stakeholders, potentially-affected property owners and interested parties.

LDCs in the Windsor-Essex area support this project. We'd appreciate if Council would also communicate its support for this project by way of a letter which we would include with our application to the OEB. The letter may be addressed to Mike Penstone, Vice-President, Network Development & Regional Planning, Hydro One Networks Inc., and sent electronically via [Community.Relations@HydroOne.com](mailto:Community.Relations@HydroOne.com).

In the interim, background information including the final Environmental Study Report for this project can be viewed on Hydro One's website at [www.HydroOne.com/Projects](http://www.HydroOne.com/Projects). If you have any questions or wish to request a meeting with Hydro One representatives, please don't hesitate to contact me at 416-345-5130.

Sincerely,

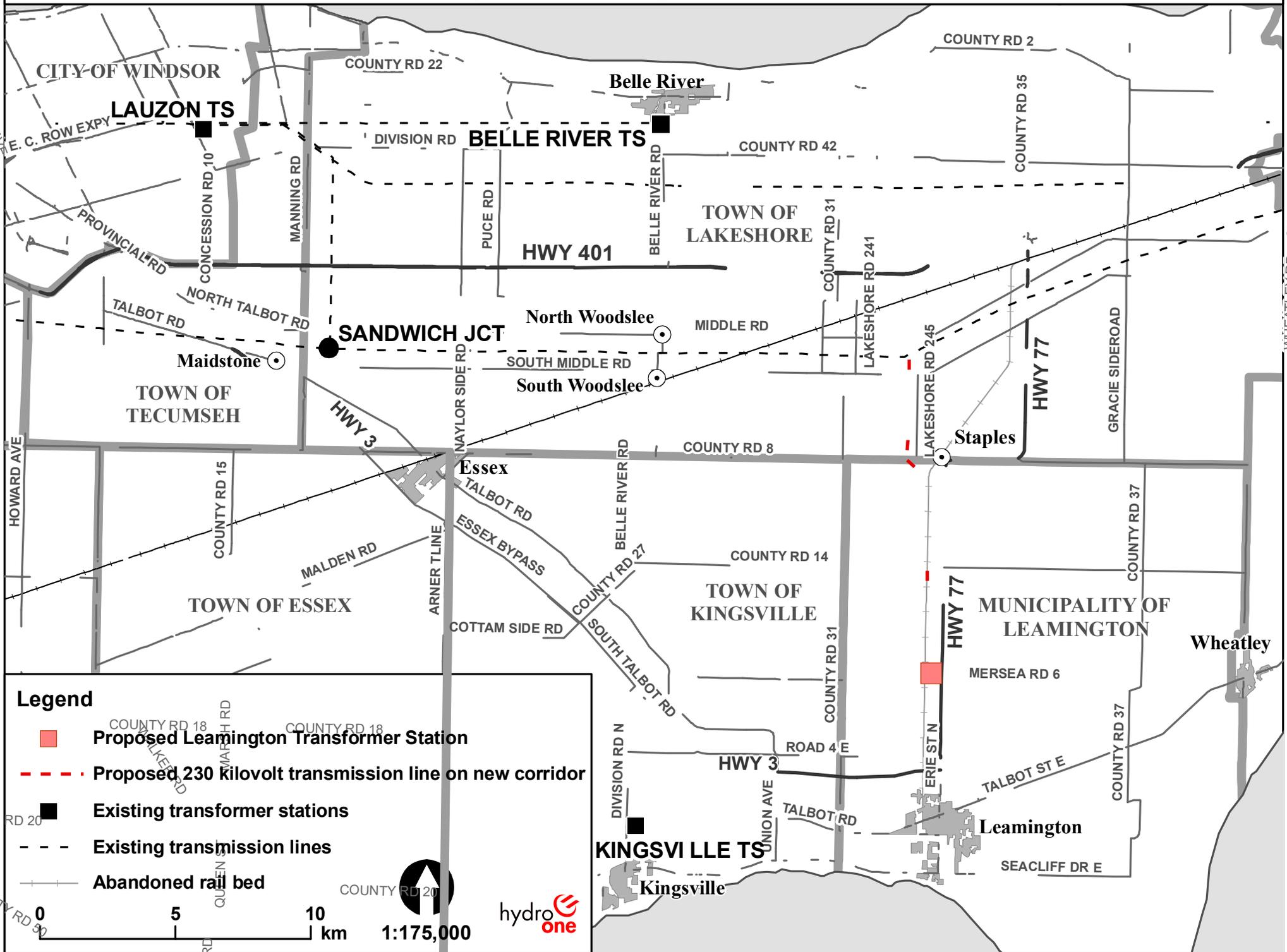


Carrie-Lynn Ognibene  
Sr. Advisor, Corporate Relations

Attachment

cc Mr. Bill Marck, Chief Administrative Officer  
Ms. Kim Siddall, Manager of Corporate Services & Clerk  
Ms. Tracey Pillon-Abbs, Director, Development Services

# Location of Proposed Leamington TS and Connector Line





January 21, 2014

<Owner name(s)>  
<Address Line 1>  
<Address Line 2>

Dear <Property Owner/Property Owners>:

**Supply to Essex County Transmission Reinforcement Project**  
**Property Reference: <Legal Description>**

This week, Hydro One Networks Inc. (Hydro One) will file an application with the Ontario Energy Board (OEB) seeking approval to construct a new transmission line in your area. The proposed 13-kilometre double circuit 230 kilovolt (kV) transmission line would be located on a new right-of-way, as shown on the attached map. The line is needed to connect a new transformer station Hydro One is proposing to build on its property on Mersea Road 6 in the Municipality of Leamington with the existing 230 kV transmission line located south of Hwy 401 in the Town of Lakeshore. We are writing to you because the proposed transmission line route will likely affect your property.

**Why is this project needed?**

The proposed transformer station and connector line would address future growth in electricity demand and anticipated expansion in the local agricultural sector. They would also improve the reliability of electricity supply in the broader Windsor-Essex region. The need for the proposed facilities has been identified by the Ontario Power Authority in consultation with Hydro One and local distribution companies in the Windsor-Essex region. Ontario's updated Long-Term Energy Plan released in December 2013 also includes this project.

**How would my property be affected?**

If approved by the OEB, the proposed 13-kilometre transmission line would require a right-of-way width of approximately 130 feet (40 m). The standard lattice steel towers for this type of transmission line are approximately 120 feet (37 m) tall with a base footprint of 20 feet x 20 feet (6 m x 6m), and they would be located approximately 750 feet (300 m) apart. Hydro One will therefore need to acquire new property rights from private property owners along the transmission line route. Later this year, Hydro One will set up a property owner information session to discuss our land acquisition principles and practices.

### **How was the transmission line route determined?**

The route for the transmission line was identified following an analysis of alternative routes and input from the community during the Class Environmental Assessment (EA) process conducted from 2008 to 2010. Hydro One held three series of public information centres in 2008 and 2009 to discuss the project with members of the community. A number of landowners in the Staples area also attended a workshop in October 2009 to review and provide input on alternative routes for the proposed transmission line. Hydro One submitted a final Environmental Study Report to the Ministry of the Environment in July 2010 to complete the Class EA process.

### **When would construction begin?**

The OEB review of Hydro One's "Leave to Construct" application and the associated public hearing process could take six months to a year. We anticipate construction could begin in Spring 2015. Detailed engineering would begin following OEB approval.

### **How can I provide my input?**

The OEB's review of Hydro One's "Leave to Construct" application includes opportunities for public involvement in the hearing process. The OEB is responsible for ensuring that the new transmission line is in the public interest and will consider the impacts upon consumers with respect to prices, as well as matters that concern the reliability and quality of electricity service.

Within the coming weeks the OEB will issue a *Notice of Application and Hearing* which will outline the process for participating in the public hearing. Hydro One will publish the Notice in local and regional newspapers and will mail it directly to you.

### **Working with You**

We are committed to keeping you informed of the status of this project. Upon project approval, we look forward to working closely with you to discuss property matters and to determine how construction of the transmission line can be scheduled to minimize disruption to you and your family.

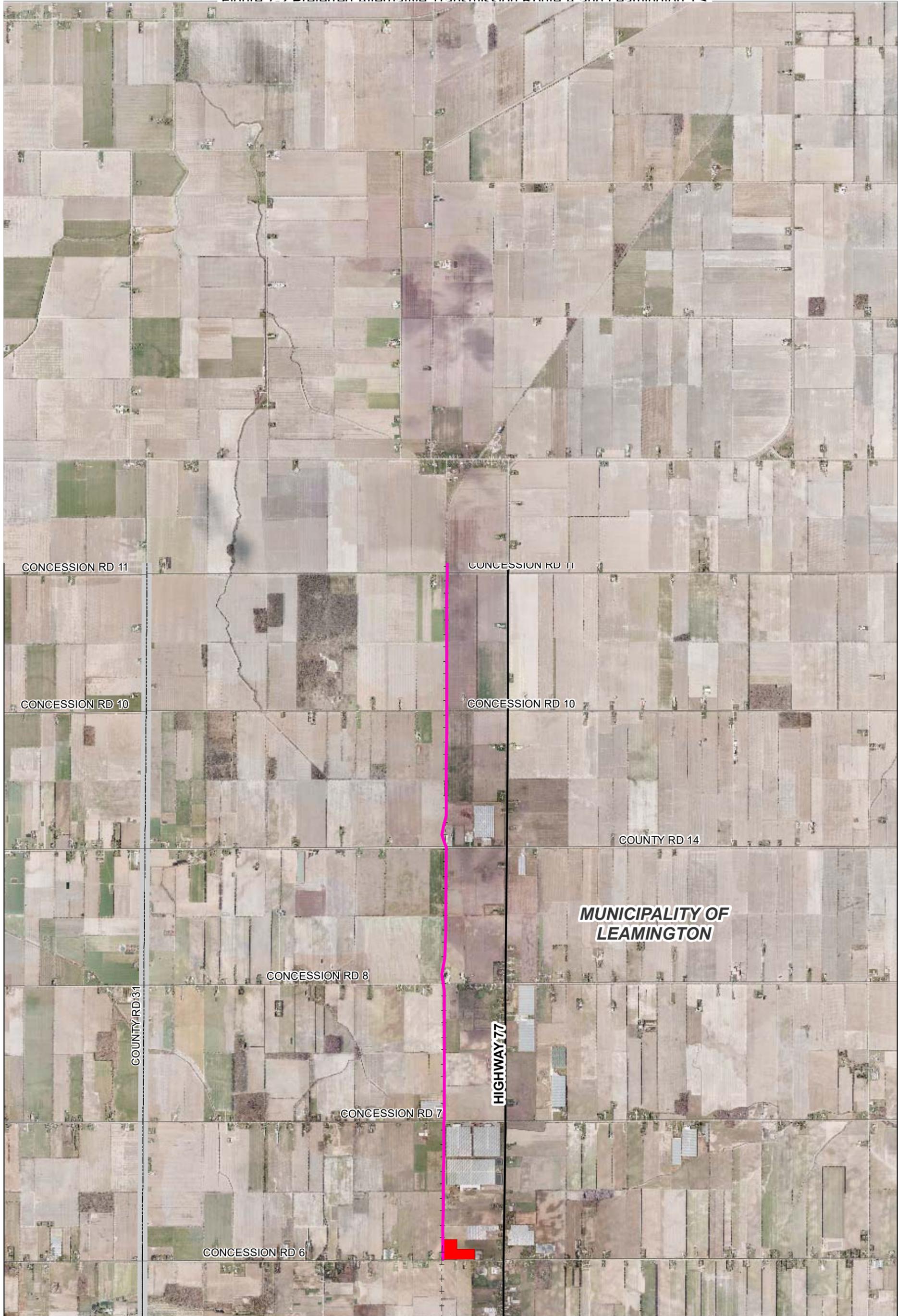
In the interim, please visit [www.HydroOne.com/Projects](http://www.HydroOne.com/Projects) (under Supply to Essex County) for more information and to view the Environmental Study Report (July 2010) and Hydro One's "Leave to Construct" application. Please direct any questions or comments you may have to Hydro One Community Relations at 1-877-345-6799; or by email to: [Community.Relations@HydroOne.com](mailto:Community.Relations@HydroOne.com).

Sincerely,

Randy Church  
 Manager, Project Development and Oversight  
 Hydro One Networks Inc.

Attachment (map)

Figure 7.2 Preferred Alternative Transmission Route A and Leamington TS



Date: November 2009  
 Produced By: Inergi LP (GIS Services)  
 Map07-41\_11x17\_PreferredAlternative\_v2

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**Transmission Lines**

-  230 kV
-  115 kV

-  Municipal Boundary
-  Water
-  Abandoned rail bed
-  Highway
-  Major Road

-  Alternative Route A
-  Preferred TS Site



## FIRST NATIONS & MÉTIS ENGAGEMENT

### 1.0 INTRODUCTION

Hydro One recognizes the importance of early engagement with First Nations and Métis communities regarding the Supply to Essex County Transmission Reinforcement Project (“SECTR Project”). The following sets out Hydro One’s process for engaging with First Nations and Métis communities who may have an interest in, or may be potentially affected by, the SECTR Project.

### 2.0 IDENTIFICATION OF FIRST NATIONS & MÉTIS COMMUNITIES

On February 22, 2008, Hydro One sent a letter including a Project Study Area Map to the Ontario Ministry of Aboriginal Affairs and Indian and Northern Affairs Canada (now known as Aboriginal Affairs and Northern Development Canada) requesting input on First Nations and/or Métis communities with potential interests in or who may be potentially affected by the SECTR Project. In a letter to Hydro One dated March 18, 2008, Indian and Northern Affairs Canada determined that Specific Claims have been submitted by Caldwell First Nation, Walpole Island First Nation, Chippewas of Kettle and Stony Point, Chippewas of the Thames First Nation, Oneida Nation of the Thames, Munsee-Delaware Nation, and Moravian of the Thames First Nation. In addition, they recommended that Hydro One apprise Aamjiwnaang First Nation of the SECTR Project. In a letter to Hydro One dated April 7, 2008, the Ontario Ministry of Aboriginal Affairs advised that “the project did not appear to be located in an area where First Nations may have existing or asserted rights that could be impacted by the Project”. Please refer to **Exhibit B, Tab 6, Schedule 6, Attachment 1** for copies of the above communications.

On October 09, 2013 Hydro One sent a letter including a Project Study Area Map to the Ontario Ministry of Energy indicating that Hydro One would be re-commencing work on

1 the SECTR Project. In this letter, Hydro One indicated that it intends to re-notify the  
2 following communities; Caldwell First Nation, Walpole First Nation, Chippewas of  
3 Kettle and Stony Point First Nation, Chippewas of the Thames First Nation, Oneida  
4 Nations of the Thames, Munsee-Delaware Nation, Moravian of the Thames First Nation  
5 and Aamjiwnaang First Nation of project re-commencement. In addition Hydro One  
6 requested that the Ontario Ministry of Energy advise of additional First Nations interests  
7 that may occur within the general vicinity of the SECTR Project area. Please refer to  
8 **Exhibit B, Tab 6, Schedule 6, Attachment 2** for a copy of this letter.

9  
10 On November 04, 2013 the Ontario Ministry of Energy provided a response to Hydro  
11 One advising that they concur with Hydro One's intentions to re-notify the list of  
12 communities provided by Hydro One on October 09, 2013. The Ministry of Energy  
13 recommended that Hydro One offer to meet with communities to discuss the proposed  
14 project, learn more about the leave-to-construct process, and to share any concerns or  
15 interest that they may have regarding the project. Please refer to **Exhibit B, Tab 6,**  
16 **Schedule 6, Attachment 3** for a copy of this letter.

### 17 18 **3.0 ENGAGEMENT PROCESS FOR FIRST NATIONS & MÉTIS** 19 **COMMUNITIES**

20  
21 Hydro One's First Nations and Métis engagement process is designed to provide relevant  
22 project information to neighbouring First Nations and Métis communities in a timely  
23 manner and for Hydro One to respond to and consider issues, concerns or questions  
24 raised by First Nations and Métis communities in a clear and transparent manner  
25 throughout the regulatory review processes (e.g., the Environmental Assessment ("EA")  
26 and OEB processes). Engagement activities with potentially impacted First Nations and  
27 Métis communities included:

- 1 • Providing SECTR Project-related information to neighbouring First Nations and  
2 Métis communities including, project notification letters which describe the need and  
3 nature of the project. Ensuring that all publicly available information is also made  
4 available to these communities;
- 5 • Offering meetings with the First Nations and Métis communities to provide SECTR  
6 Project-related information, to identify concerns, issues or questions about the  
7 SECTR Project, and respond to questions and wherever possible, address concerns, in  
8 relation to the SECTR Project;
- 9 • Providing information, when requested, on the OEB's regulatory process, the EA  
10 process or any other decision-making processes applicable to the SECTR Project;
- 11 • Giving consideration to all issues and concerns raised by the First Nations and Métis  
12 communities as to how the SECTR Project may affect them;
- 13 • Recording all forms of engagement with the First Nations and Métis communities,  
14 maintaining a record of the concerns and issues raised by the First Nations and Métis  
15 communities regarding the SECTR Project and Hydro One's responses thereto, and  
16 communicating the same with the Ministry of Energy.

#### 17

#### 18 **4.0 ENGAGEMENT TO DATE WITH FIRST NATIONS COMMUNITIES**

19

20 Please refer to **Exhibit B, Tab 6, Schedule 6, Attachment 4** for a description of Hydro  
21 One's engagement activities with First Nations.

#### 22

#### 23 **5.0 SUMMARY**

24

25 Hydro One is prepared to continue engagement efforts with these First Nations relating to  
26 the SECTR Project. To date, no major issues have been raised. Concerns raised by  
27 Caldwell First Nation and Hydro One's response are summarized in **Exhibit B, Tab 6,**

Filed: 2014-01-22

EB-2013-0421

Exhibit B

Tab 6

Schedule 6

Page 4 of 4

- 1 **Schedule 6, Attachment 4.** Hydro One will work to resolve any issues or concerns in
- 2 the event that anything should arise.

**Hydro One Networks Inc.**  
483 Bay Street TCT12  
Toronto, ON M5G1X6  
mccormick.bj@hydroone.com

Tel: 416-345-6597  
Fax: 416-345-6919  
Cell: 416-525-1051

Filed: 2014-01-22

EB-2013-0421

Exhibit B-6-6

Attachment 1

Page 1 of 16



**Brian McCormick**  
Manager, Environmental Services and Approvals

February 22, 2008

Mr. Fred Hosking  
Senior Claims Analyst  
Department of Indian and Northern Affairs  
Specific Claims Branch  
10 Wellington St. Room 1310  
Gatineau Quebec  
K1A 0H4

**RE: Supply to Essex County**  
**Class Environmental Assessment**

Dear Mr. Hosking:

Hydro One Networks Inc. (Hydro One) is about to begin a project which would result in reinforcements to the electrical infrastructure to better serve residents and businesses in Essex County. The Ontario Power Authority has identified that there is an inadequate power supply capacity to the eastern portion of Essex County. This project will address increased electricity demand resulting from economic growth and development in this area and provide a more reliable supply of power for future demand.

Hydro One is initiating a Class Environmental Assessment (Class EA) with two distinct alternatives that would involve the construction of a new transformer station (TS) and the construction or upgrade of transmission lines in Essex County. The alternatives are as follows:

**Alternative 1:** Construct a new transformer station and tap line north of the Town of Kingsville and upgrade the existing 115kV line from the new transformer station to Kingsville TS. This is shown on the attached map – Supply to Essex County: Study Area for Alternative 1.

**Alternative 2:** Construct a new transformer station in the Leamington area and a new 230 kV transmission line from the transformer station to the existing transmission line that runs east from Sandwich Jct. The area being studied for the new station and line is shown on the attached map – Supply to Essex County: Study Area for Alternative 2. This alternative also requires the construction of a new 230 kV transmission line from Lauzon TS to Sandwich Junction (Jct) parallel to the existing transmission line on the Hydro One owned right-of-way which is also shown on the map.

The proposed undertaking is subject to provincial Environmental Assessment (EA) Act approval in accordance with the Class EA for Minor Transmission Facilities. The Class EA will involve the identification and comparative evaluation of the two alternatives. The project is also subject to “Leave to Construct” approval from the Ontario Energy Board (OEB). Contingent on the outcome of the Class EA and the OEB approval processes, the new facilities could be placed in service as early as Spring 2011.

Hydro One recognizes the need to begin consultation in the preliminary stages of project planning and has initiated consultation with regional and municipal representatives and government agencies.

Our first series of Public Information Centres (PICs) is tentatively scheduled for April 2008. The PICs will provide the interested parties the opportunity to learn more about the project, provide their input on project options, and discuss any issues or concerns with our project team. We will advise you of the details of the PIC via an invitation letter closer to the date. For our records, please complete and return the attached **Fax Back Form** indicating the appropriate contact person.

We would like information on whether there are any Aboriginal Reserves, land claims, interests or treaties of which we should be aware. Inquiries have also been sent to two other people in INAC: Mr. Franklin Roy, Director, Litigation Management and Resolution Branch and Ms. Louise Trepanier, Director, Comprehensive Claims Branch.

Thank you for assisting us in this matter. If you have any questions regarding this project please feel free to contact me at (416) 345-6597 or Patricia Staite at (416) 345-6686.

Sincerely,



Brian McCormick  
Manager, Environmental Services & Approvals

Cc. Lee Anne Cameron, Director, Aboriginal Affairs  
Att.

**Hydro One Networks Inc.**  
483 Bay Street TCT12  
Toronto, ON M5G1X6  
mccormick.bj@hydroone.com

Tel: 416-345-6597  
Fax: 416-345-6919  
Cell: 416-525-1051



**Brian McCormick**  
Manager, Environmental Services and Approvals

February 22, 2008

Ms. Louise Trepanier  
Director  
Department of Indian and Northern Affairs  
Claims East of Manitoba, Comprehensive Claims Branch  
10 Wellington St. Room 1310  
Gatineau Quebec  
K1A 0H4

**RE: Supply to Essex County**  
**Class Environmental Assessment**

Dear Ms. Trepanier:

Hydro One Networks Inc. (Hydro One) is about to begin a project which would result in reinforcements to the electrical infrastructure to better serve residents and businesses in Essex County. The Ontario Power Authority has identified that there is an inadequate power supply capacity to the eastern portion of Essex County. This project will address increased electricity demand resulting from economic growth and development in this area and provide a more reliable supply of power for future demand.

Hydro One is initiating a Class Environmental Assessment (Class EA) with two distinct alternatives that would involve the construction of a new transformer station (TS) and the construction or upgrade of transmission lines in Essex County. The alternatives are as follows:

**Alternative 1:** Construct a new transformer station and tap line north of the Town of Kingsville and upgrade the existing 115kV line from the new transformer station to Kingsville TS. This is shown on the attached map – Supply to Essex County: Study Area for Alternative 1.

**Alternative 2:** Construct a new transformer station in the Leamington area and a new 230 kV transmission line from the transformer station to the existing transmission line that runs east from Sandwich Jct. The area being studied for the new station and line is shown on the attached map – Supply to Essex County: Study Area for Alternative 2. This alternative also requires the construction of a new 230 kV transmission line from Lauzon TS to Sandwich Junction (Jct) parallel to the existing transmission line on the Hydro One owned right-of-way which is also shown on the map.

The proposed undertaking is subject to provincial Environmental Assessment (EA) Act approval in accordance with the Class EA for Minor Transmission Facilities. The Class EA will involve the identification and comparative evaluation of the two alternatives. The project is also subject to “Leave to Construct” approval from the Ontario Energy Board (OEB). Contingent on the outcome of the Class EA and the OEB approval processes, the new facilities could be placed in service as early as Spring 2011.

Hydro One recognizes the need to begin consultation in the preliminary stages of project planning and has initiated consultation with regional and municipal representatives and government agencies.

Our first series of Public Information Centres (PICs) is tentatively scheduled for April 2008. The PICs will provide the interested parties the opportunity to learn more about the project, provide their input on project options, and discuss any issues or concerns with our project team. We will advise you of the details of the PIC via an invitation letter closer to the date. For our records, please complete and return the attached **Fax Back Form** indicating the appropriate contact person.

We would like information on whether there are any Aboriginal Reserves, land claims, or treaties of which we should be aware. Inquiries have also been sent to two other people in INAC: Mr. Franklin Roy, Director, Litigation Management and Resolutions Branch and Mr. Fred Hosking, Senior Claims Analyst, Special Claims Branch.

Thank you for assisting us in this matter. If you have any questions regarding this project please feel free to contact me at (416) 345-6597, or Patricia Staite at (416) 345-6686.

Sincerely,



Brian McCormick  
Manager, Environmental Services & Approvals

Cc. Lee Anne Cameron, Director, Aboriginal Affairs

Att.

**Hydro One Networks Inc.**  
483 Bay Street TCT12  
Toronto, ON M5G1X6  
mccormick.bj@hydroone.com

Tel: 416-345-6597  
Fax: 416-345-6919  
Cell: 416-525-1051



**Brian McCormick**  
Manager, Environmental Services and Approvals

February 22, 2008

Mr. Franklin Roy  
Director  
Department of Indian and Northern Affairs  
Litigation Management and Resolution Branch  
10 Wellington St. Room 1310  
Gatineau Quebec  
K1A 0H4

**RE: Supply to Essex County**  
**Class Environmental Assessment**

Dear Mr. Roy:

Hydro One Networks Inc. (Hydro One) is about to begin a project which would result in reinforcements to the electrical infrastructure to better serve residents and businesses in Essex County. The Ontario Power Authority has identified that there is an inadequate power supply capacity to the eastern portion of Essex County. This project will address increased electricity demand resulting from economic growth and development in this area and provide a more reliable supply of power for future demand.

Hydro One is initiating a Class Environmental Assessment (Class EA) with two distinct alternatives that would involve the construction of a new transformer station (TS) and the construction or upgrade of transmission lines in Essex County. The alternatives are as follows:

**Alternative 1:** Construct a new transformer station and tap line north of the Town of Kingsville and upgrade the existing 115kV line from the new transformer station to Kingsville TS. This is shown on the attached map – Supply to Essex County: Study Area for Alternative 1.

**Alternative 2:** Construct a new transformer station in the Leamington area and a new 230 kV transmission line from the transformer station to the existing transmission line that runs east from Sandwich Jct. The area being studied for the new station and line is shown on the attached map – Supply to Essex County: Study Area for Alternative 2. This alternative also requires the construction of a new 230 kV transmission line from Lauzon TS to Sandwich Junction (Jct) parallel to the existing transmission line on the Hydro One owned right-of-way which is also shown on the map.

The proposed undertaking is subject to provincial Environmental Assessment (EA) Act approval in accordance with the Class EA for Minor Transmission Facilities. The Class EA will involve the identification and comparative evaluation of the two alternatives. The project is also subject to “Leave to Construct” approval from the Ontario Energy Board (OEB). Contingent on the outcome of the Class EA and the OEB approval processes, the new facilities could be placed in service as early as Spring 2011.

Hydro One recognizes the need to begin consultation in the preliminary stages of project planning and has initiated consultation with regional and municipal representatives and government agencies.

Our first series of Public Information Centres (PICs) is tentatively scheduled for April 2008. The PICs will provide the interested parties the opportunity to learn more about the project, provide their input on project options, and discuss any issues or concerns with our project team. We will advise you of the details of the PIC via an invitation letter closer to the date. For our records, please complete and return the attached **Fax Back Form** indicating the appropriate contact person.

We would like information on whether there are any Aboriginal Reserves, land claims, interests or treaties of which we should be aware. Inquiries have also been sent to two other people in INAC: Mr. Fanklin Roy, Director, Litigation Management and Resolution Branch and Ms. Louise Trepanier, Director, Comprehensive Claims Branch.

Thank you for assisting us in this matter. If you have any questions regarding this project please feel free to contact me at (416) 345-6597 or Patricia Staite at (416) 345-6686.

Sincerely,



Brian McCormick  
Manager, Environmental Services & Approvals

Cc. Lee Anne Cameron, Director, Aboriginal Affairs  
Att.

**Hydro One Networks Inc.**  
483 Bay Street TCT12  
Toronto, ON M5G1X6  
mccormick.bj@hydroone.com

Tel: 416-345-6597  
Fax: 416-345-6919  
Cell: 416-525-1051



**Brian McCormick**  
Manager, Environmental Services and Approvals

February 22, 2008

Mr. Alan Kary  
Deputy Director  
Ontario Ministry of Aboriginal Affairs  
Policy and Relationships Branch  
720 Bay Street 4th Floor  
Toronto Ontario  
M5G 2K1

**RE: Supply to Essex County**  
**Class Environmental Assessment**

Dear Mr. Kary:

Hydro One Networks Inc. (Hydro One) is about to begin a project which would result in reinforcements to the electrical infrastructure to better serve residents and businesses in Essex County. The Ontario Power Authority has identified that there is an inadequate power supply capacity to the eastern portion of Essex County. This project will address increased electricity demand resulting from economic growth and development in this area and provide a more reliable supply of power for future demand.

Hydro One is initiating a Class Environmental Assessment (Class EA) with two distinct alternatives that would involve the construction of a new transformer station (TS) and the construction or upgrade of transmission lines in Essex County. The alternatives are as follows:

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We would like information on whether there are any Aboriginal Reserves, land claims, or treaties of which we should be aware. We have also contacted the Federal Ministry of Indian and Northern Affairs requesting similar information.

Thank you for assisting us in this matter. If you have any questions regarding this project please feel free to contact me at (416) 345-6597, or Patricia Staite at (416) 345-6686.

Sincerely,



Brian McCormick  
Manager, Environmental Services & Approvals

Cc. Lee Anne Cameron, Director, Aboriginal Affairs  
Att.

**Hydro One Networks Inc.**  
483 Bay Street TCT12  
Toronto, ON M5G1X6  
mccormick.bj@hydroone.com

Tel: 416-345-6597  
Fax: 416-345-6919  
Cell: 416-525-1051



**Brian McCormick**  
Manager, Environmental Services and Approvals

February 22, 2008

Mr. Surrinder Singh Gill  
Policy Advisor  
Ontario Ministry of Aboriginal Affairs  
Policy and Relationships Branch  
720 Bay Street 4th Floor  
Toronto Ontario  
M5G 2K1

**RE: Supply to Essex County**  
**Class Environmental Assessment**

Dear Mr. Gill:

Hydro One Networks Inc. (Hydro One) is about to begin a project which would result in reinforcements to the electrical infrastructure to better serve residents and businesses in Essex County. The Ontario Power Authority has identified that there is an inadequate power supply capacity to the eastern portion of Essex County. This project will address increased electricity demand resulting from economic growth and development in this area and provide a more reliable supply of power for future demand.

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We would like information on whether there are any Aboriginal Reserves, land claims, or treaties of which we should be aware. We have also contacted the Federal Ministry of Indian and Northern Affairs requesting similar information.

Thank you for assisting us in this matter. If you have any questions regarding this project please feel free to contact me at (416) 345-6597, or Patricia Staite at (416) 345-6686.

Sincerely,



Brian McCormick  
Manager, Environmental Services & Approvals

Cc. Lee Anne Cameron, Director, Aboriginal Affairs  
Att.

Stakeholder and First Nation Consultation Comments  
Documentation

<b>SENES Project Reference #</b>	34862 – Supply to Essex Class EA		
<b>Contact Person</b>	Brian McCormick, Hydro One		
<b>Organization</b>	Indian and Northern Affairs Canada	<b>Dates of Contact</b>	March 10, 2008
<b>Contact's Name and Title</b>	Kevin Clement, A/ Director for Lynn Bernard, Director General, Comprehensive Claims Branch		
<b>Contact Mode</b>	√ Mail	Phone	E-mail In person
<b>Summary of Discussion</b>	 <p>Affaires indiennes et du Nord Canada Indian and Northern Affairs Canada</p> <p>March 10, 2008</p> <p>Brian McCormick Manager Environmental Services and Approvals Hydro One Networks Inc. 483 Bay Street, TCT13, North Tower TORONTO, ON M5G 2P5</p> <p>RE: Supply to Essex County Class Environmental Assessment</p> <p>Dear Mr. McCormick:</p> <p>I am responding to your request for information sent to the Comprehensive Claims Branch, by mail, on February 22, 2008.</p> <p>We can confirm that there are no comprehensive claims in Essex County, Ontario. We cannot make any comments regarding potential or future claims, or claims filed under other departmental policies. This includes claims under Canada's Specific Claims Policy or legal action by the First Nation against the Crown. For more information, I suggest you contact the Director General of Specific Claims Branch at (819) 994-2323 and the Director General of Litigation Management and Resolution Branch at (819) 997-3582.</p> <p>INAC- Comprehensive Claims Branch does not have any specific interest in the project and would request to be taken out of the mailing list.</p> <p>Yours truly,</p> <p>Kevin Clement, A/ Director for Lynn Bernard, Director General Comprehensive Claims Branch</p> <p>DISCLAIMER: In this Disclaimer, "Canada" means Her Majesty the Queen in right of Canada and the Minister of Indian Affairs and Northern Development and their servants and agents. Canada does not warrant or assume any legal liability or responsibility for the accuracy, completeness, or usefulness of any data or information disclosed with this correspondence or for any actions in reliance upon such data or information or on any statement contained in this correspondence. Data and information is based on information in departmental records and is disclosed for convenience of reference only. In accordance with the provisions of the <i>Access to Information Act</i> and the <i>Privacy Act</i>, confidential information has not been disclosed. Canada does not act as a representative for any Aboriginal group for the purpose of any claim. Information from other government sources and private sources (including Aboriginal groups) should be sought, to ensure that the information you have is accurate and complete.</p>		



Affaires indiennes  
et du Nord Canada

Indian and Northern  
Affairs Canada

www.aing-nac.gc.ca

Votre référence / Your file

MAR 18 2008

Notre référence / Our file

B 8260-12

Brian McCormick  
Manager, Environmental Services & Approvals  
Hydro One Networks Inc.  
483 Bay Street TCT12  
TORONTO ON M5G 1X6

Dear Mr. McCormick:

**Re: Supply to Essex County Class Environmental Assessment**

I am writing in response to your letter of February 22, 2008, inquiring as to whether there are any First Nations that may have an interest in the above noted study area.

We have conducted a brief search of our records and determined that some specific claims have been submitted in the area of interest. The claims for that area have been submitted by the following First Nations:

Caldwell First Nation  
10297 TALBOT ROAD, BLENHEIM ON N0P 1A0  
(519) 676-5499

Walpole Island First Nation  
RR 3, WALLACEBURG ON N8A 4K9  
(519) 627-1481

Chippewas of Kettle and Stony Point First Nation  
6247 INDIAN LANE, RR#2 FOREST ON N0N 1J0  
(519)786-2125

Chippewas of the Thames First Nation  
RR 1, MUNCEY ON N0L 1Y0  
(519) 289-5555

.../2

Canada

Oneida Nation of the Thames  
RR 2, SOUTHWOLD ON N0L 2G0  
(519) 652-3244

Munsee-Delaware Nation  
RR 1, MUNCEY ON N0L 1Y0  
(519) 289-5396

Moravian of the Thames First Nation  
RR 3, THAMESVILLE ON N0P 2K0  
(519) 692-3936

In addition, there is another First Nation in the general vicinity of your area of interest. You may wish to apprise them of your intentions.

Aamjiwnaang First Nation  
978 TASHMOO AVENUE, SARNIA ON N7T 7H5  
(519) 336-8410

For more information, you may wish to consult a "Public Information Status Report" on all claims which have been submitted to date. This information is available to the public on the Indian and Northern Affairs Canada (INAC) website and can be found at [http://www.ainc-inac.gc.ca/ps/clm/pis\\_e.html](http://www.ainc-inac.gc.ca/ps/clm/pis_e.html).

It should be noted that the reports available on the INAC website are updated quarterly and therefore, you may want to check this site at regular intervals for updates. In accordance with legislative requirements, confidential information has not been disclosed.

Please rest assured that it is the policy of the Government of Canada as expressed in *Outstanding Business: A Native Claims Policy* that "in any settlement of specific native claims the government will take third party interests into account. As a general rule, the government will not accept any settlement which will lead to third parties being dispossessed."

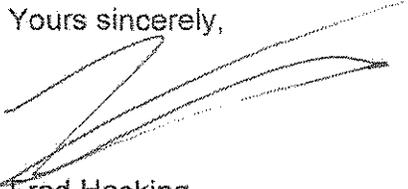
We can only speak directly to claims filed under the Specific Claims Policy in the Province of Ontario. We cannot make any comments regarding potential or future claims, or claims filed under other departmental policies. This includes claims under Canada's Comprehensive Claims Policy or legal action by a First Nation against the Crown. I note you have already contacted INAC's Comprehensive Claims Branch and Litigation Management and Resolution Branch. In addition, you may wish to consult the unit responsible for Special Claims at (819) 994-6453.

.../3

To the best of our knowledge, the information we have provided you is current and up-to-date. However, this information may not be exhaustive with regard to your needs and you may wish to consider seeking information from other government and private sources (including Aboriginal groups). In addition, please note that Canada does not act as a representative for any Aboriginal group for the purpose of any claim or the purpose of consultation.

I hope this information will be of assistance to you. I trust that this satisfactorily addresses your concerns. If you wish to discuss this matter further please contact me at (819) 953-1940.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Fred Hosking', written over a dotted line.

Fred Hosking  
Senior Claims Analyst  
Ontario Research Team  
Specific Claims Branch

Ministry of Aboriginal Affairs

720 Bay Street  
4<sup>th</sup> Floor  
Toronto, ON M5G 2K1

Tel: (416) 326-4741  
Fax: (416) 326-4017

Ministère des Affaires autochtones

720, rue Bay  
4<sup>e</sup> étage  
Toronto, ON M5G 2K1

Tél: (416) 326-4741  
Télé: (416) 326-4017



website: [www.aboriginalaffairs.gov.on.ca](http://www.aboriginalaffairs.gov.on.ca)

Reference: PAR 854  
0708-544

APR - 7 2008

Brian McCormick  
Manager, Environmental Services & Approvals  
Hydro One  
483 Bay Street TCT12  
Toronto, ON M5G 1X6

Re: Essex County Electrical Infrastructure

Dear Mr. McCormick:

Thank you for your notice dated February 22, 2008, regarding the above noted project.

The responsibilities of the Ministry of Aboriginal Affairs (MAA) include conducting land claim and related negotiations on behalf of the Province. MAA can provide you with information about land claims that have been submitted to the Ministry, are currently in active negotiations, or are in the process of implementing a settlement agreement. We can also advise as to whether there is any litigation with an Aboriginal community that may be impacted by your project.

You should also be aware that many First Nations either have or assert rights to hunt and fish in their traditional territories. These territories often include lands and waters outside of a First Nation's reserve. As well, in some instances project work may impact archaeological and burial sites. First Nations with an interest in such archaeological sites may extend beyond those First Nations in the nearest vicinity of the proposed project.

With respect to your project, we have reviewed the brief materials you have provided, and can advise that this project appears not to be located in an area where First Nations may have existing or asserted rights that could be impacted by your project.

.../2

MAA is not the approval or regulatory authority for your project. You should consider the information provided in this letter in light of the statutes and guidance materials provided by the appropriate approval or regulatory authority for consultation requirements with Aboriginal communities on a project such as you are proposing. Should you have questions on the process please contact the appropriate ministry.

The Government of Canada sometimes receives claims that Ontario does not receive, or with which Ontario does not become involved. For information about possible claims in the area, MAA recommends the proponent contact the following federal contacts:

Mr. Fred Hosking  
Senior Claims Analyst  
Ontario Research Team  
Indian and Northern Affairs Canada  
10 Wellington St.  
Gatineau, QC K1A 0H4  
Tel: (819) 953-1940  
Fax: (819) 997-9873

Mr. Kevin Clement  
A/Director,  
Financial Issues and Cost-Sharing  
Indian and Northern Affairs Canada  
10 Wellington St. 8<sup>th</sup> Floor  
Gatineau, QC K1A 0H4  
Tel: (819) 997-8369  
Fax: (819) 997-9147

For federal information on litigation contact:

Jonathan Allen  
Litigation Team Leader for Ontario  
1430-25 Eddy Street  
Gatineau, QC K1A 0H4  
Tel: (819) 956-3181  
Fax: (819) 953-6143

Yours truly,



Alan Kary  
Deputy Director  
Policy and Relationships Branch

**Hydro One Networks Inc.**  
483 Bay Street  
Toronto, Ontario M5G 2P5  
[www.HydroOne.com](http://www.HydroOne.com)  
[Ian.Jacobsen@HydroOne.com](mailto:Ian.Jacobsen@HydroOne.com)

Tel. No. 416-345-4360  
Fax. No. 416-345-6600

October 9, 2013

Amy Gibson  
Manager, First Nation and Métis Policy and Partnerships Office  
Ministry of Energy  
880 Bay Street, 3<sup>rd</sup> Floor  
Toronto, Ontario  
M7A 2C1

Dear Ms. Gibson:

RE: Supply to Essex County Transmission Reinforcement project:  
Leamington TS

Hydro One Networks Inc. (HONI) completed the Class Environmental Assessment for the Supply to Essex County Reinforcement Project in July 2010. This project is divided into two stages, with the first stage being the construction of a new 230 kilovolt (kV) to 27.6 kV transformer station in the Municipality of Leamington and associated double circuit 230 kV connection. The second stage is to construct a new double circuit 230 kV transmission line on the existing corridor between Lauzon Transformer Station and Sandwich Junction.

Hydro One is planning to file for "Leave to Construct" approval from the Ontario Energy Board (OEB) under Section 92 of the Ontario Energy Board Act (OEB Act) in December for the first stage (see the attached map).

In early 2008, as part of the First Nation and Métis consultation, HONI sent letters to the Ministry of Aboriginal Affairs (MAA) and Indian and Northern Affairs Canada (INAC) seeking their direction regarding First Nation and Métis interests within the vicinity of the project area. MAA advised that the project did not appear to be located in an area where First Nations may have existing or asserted rights that could be impacted by the project. INAC determined that there were no comprehensive claims in Essex County, Ontario. INAC-Comprehensive claims branch did not have any specific interest in the project and requested to be taken off the mailing list. In subsequent communication INAC confirmed the following First Nations have submitted specific claims in the study area of the project:

- Caldwell First Nation
- Walpole First Nation
- Chippewas of Kettle and Stony Point First Nation
- Chippewas of the Thames First Nation
- Oneida Nations of the Thames
- Munsee-Delaware Nation
- Moravian of the Thames First Nation
- Aamjiwnaang First Nation

All First Nation communities noted by INAC were sent a project notification letter, invitations to public information centers #1, #2, #3 and a Workshop. Follow-up phone calls were also made to the Chief or designated contact offering to meet and discuss the project. The Draft Environmental Study Report for the project was also sent. HONI intends to notify the same First Nation communities that we are filing for the Leave to Construct. If you are aware of other First Nation communities that may have interest in the Project area, please let us know.

We would be pleased to discuss this project with you if you would like more information. Should there be any update to the project information provided above, I will ensure you are promptly informed.

Sincerely,

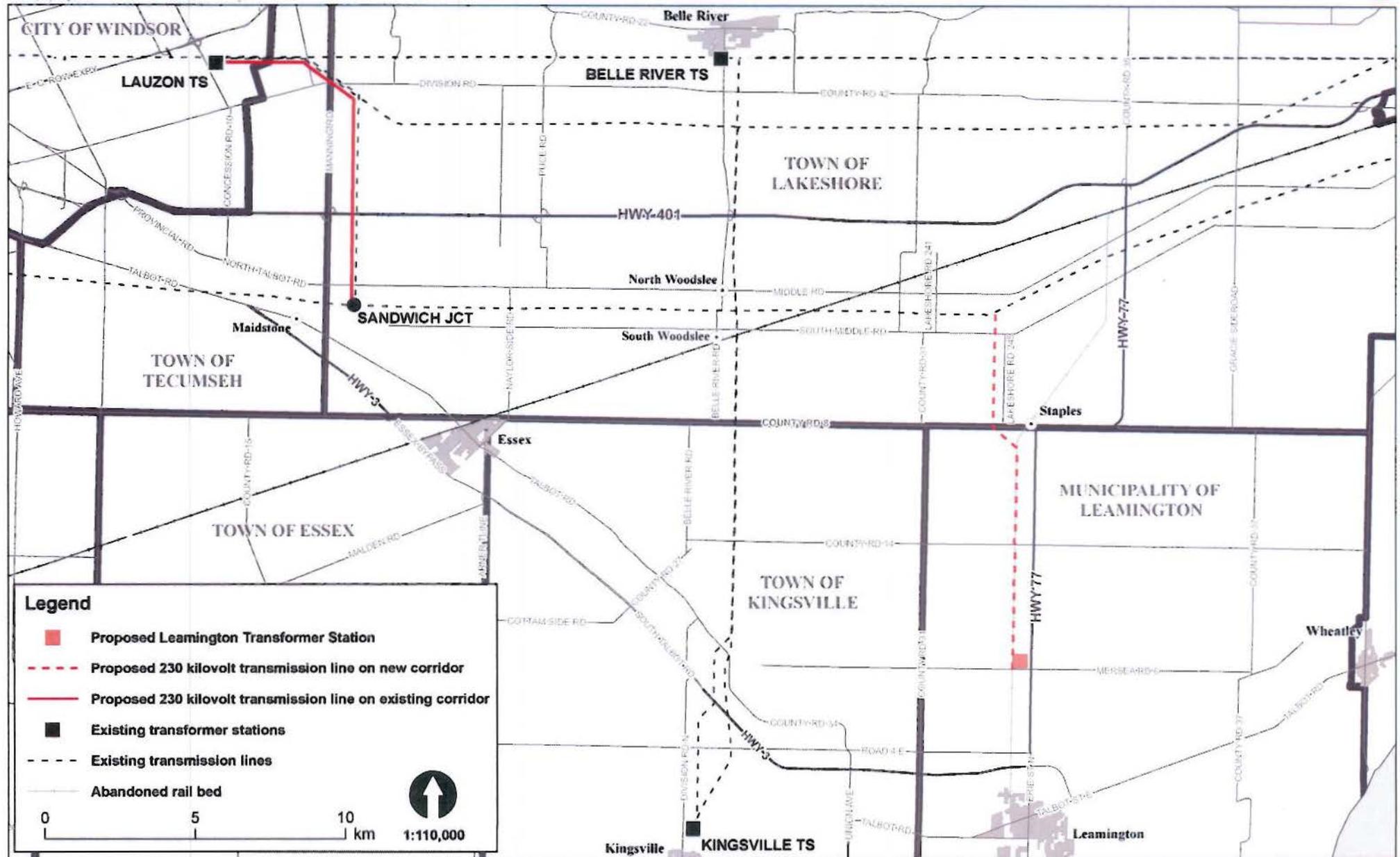


Ian Jacobsen  
Sr. Manager, First Nation and Métis Relations

c: Brian McCormick, Environmental Services & Approvals (Hydro One Networks Inc.)  
Heather Levesque, Manager Consultation Unit, Ministry of Aboriginal Affairs

Encl.

Figure 1-1 Project Location Map



**Legend**

- Proposed Leamington Transformer Station
- - - Proposed 230 kilovolt transmission line on new corridor
- Proposed 230 kilovolt transmission line on existing corridor
- Existing transformer stations
- - - Existing transmission lines
- Abandoned rail bed

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Ministry of Energy

880 Bay Street  
3<sup>rd</sup> Floor  
Toronto ON M7A 2C1

Tel: (416) 327-2116  
Fax: (416) 327-3344

Ministère de l'Énergie

880, rue Bay  
3<sup>e</sup> étage  
Toronto ON M7A 2C1

Tel: (416) 327-2116  
Télé: (416) 327-3344



**First Nation and Métis Policy and Partnerships Office**

November 4, 2013

Christine Goulais  
Senior Manager, First Nation and Métis Relations  
Hydro One Networks Inc.  
483 Bay Street, TCT5, South Tower  
Toronto, ON M5G 2P5

**Re: Supply to Essex County Transmission Reinforcement Project**

Dear Ms. Goulais:

Thank you for your October 9, 2013 letter to inform me about the Hydro One Network Inc. ("Hydro One") plans to file for a leave-to-construct approval to proceed with the Essex County Transmission Reinforcement project.

I understand from your letter that Hydro One has completed the necessary environmental assessment ("EA") work for this project in 2010 under the Class EA for Minor Transmission Facilities. I further understand that Hydro One will be acquiring easement rights on both private and public lands.

I concur with your intentions to notify the First Nation communities that you have listed in your incoming letter. In addition, I recommend that these communities be offered the opportunity to meet with Hydro One staff to discuss the proposed project, learn more about the leave-to-construct process, and share any concerns or interests that they may have with the project.

I also recommend that Hydro One maintain a record of its interactions with the First Nation communities that it has identified for notification. I request that you notify me if information emerges suggesting an adverse impact on any community, as appropriate.

Please do not hesitate to contact me if you have any further questions or wish to discuss this matter in more detail.

Sincerely,



Amy Gibson  
Manager  
First Nation and Métis Policy and Partnerships Office

c: Brian McCormick, Manager  
Environmental Services and Approvals, Hydro One Networks Inc.

Heather Levecque, Manager  
Consultation Unit, Ministry of Aboriginal Affairs

**Contacts with First Nations Communities**

First Nation	Type of Correspondence	Fax-back returned	Follow-up
Chippewas of the Thames	Notice of Commencement sent April 9, 2008 and PIC#1 invitation sent	No	Hydro One called First Nation on June 3, 2008 to follow-up on the Notice of Commencement. The Chief was unavailable to discuss. Hydro One followed up a second time by phone on June 6, 2008 and left a voicemail.
	Invitation to PIC#2 sent July 7, 2008		
	Letter with information on the selection of the preferred transmission line location and Transformer Station Site sent May 7, 2009		Hydro One follow up phone call made on June 9, 2009 regarding May 7, 2009 correspondence. Voicemail was left.
	Invitation to PIC#3 sent July 3, 2009		
	Invitation to landowner workshop sent Oct. 14, 2009		
	Letter providing Project update sent November 29, 2013		
Oneida Nation of the Thames	Notice of Commencement sent April 9, 2008 and PIC#1 invitation	No	Hydro One called June 6, 2008 and left a message with administration.
	Invitation to PIC#2 sent July 7, 2008		
	Letter with information on the selection of the preferred transmission line location and Transformer Station Site sent May 7, 2009		Hydro One follow up phone call made on June 9, 2009 regarding May 7, 2009 correspondence. Voicemail left with Chief.
	Invitation to PIC#3 sent July 3, 2009		
	Invitation to landowner workshop sent Oct. 14, 2009		
	Letter providing Project update sent November 29, 2013		
Munsee-Delaware Nation	Notice of Commencement sent April 9, 2008 and PIC#1 invitation sent	No	Chief followed up with Hydro One via phone call on April 15, 2008. Hydro One followed up with First Nation on June 6, 2008 regarding Project. Hydro One agreed to re-send project information.
	Invitation to PIC#2 sent July 7, 2008		
	Letter with information on the selection of the preferred transmission line location and Transformer Station Site sent May 7, 2009		Hydro One followed up with Chief on June 9, 2009 and left a voicemail.
	Invitation to PIC#3 sent July 3, 2009		
	Invitation to landowner workshop sent Oct. 14, 2009		

	Letter providing Project update sent November 29, 2013		
<b>Caldwell First Nations</b>	Notice of Commencement sent April 9, 2008 and PIC#1 invitation sent	No	Hydro One followed up via phone call on June 6, 2008 and left a voicemail.
	Invitation to PIC#2 sent July 7, 2008		
	Letter with information on the selection of the preferred transmission line location and Transformer Station Site sent May 7, 2009		Hydro One followed up via phone call on April 20, 2009. Chief returned phone call to Hydro One on April 21, 2009. Hydro One returned phone call on April 22, 2009, April 30, 2009, and again on May 5, 2009. Messages left.  On May 12, 2009, Hydro One emailed the Chief information regarding the Project. On May 13, 2009, Councilor of the First Nation phoned Hydro One and Hydro One explained content of email sent to Chief. May 24, 2009, Hydro One received email from First Nation. On May 28, 2009 Hydro One emailed the Chief to offer a meeting to discuss the project further. June 8 and 9, 2009, Hydro One called the First Nation to follow up on request to meet to discuss the project further. Messages left.
	Invitation to PIC#3 sent July 3, 2009		First Nation expressed concern regarding compensation for farmers, and requested a hard copy of the ESR be mailed.
	Invitation to landowner workshop sent Oct. 14, 2009		
	Letter providing Project update sent November 29, 2013		On November 29, 2013 the Chief responded to Hydro One via email requesting a meeting to discuss the Project. Hydro One responded via phone and email on December 13, 2013 to coordinate a meeting between Hydro One and Caldwell First Nation. On January 10, 2014, Hydro One met with the Chief and one Elected Representative of Caldwell First Nation to discuss the Project and share information. The following information was discussed: Hydro One's Supply to Essex Reinforcement Project was reviewed and the Section 92 Application to the Ontario Energy Board was discussed. Caldwell First Nation had expressed concerns with regards to Electric and Magnetic Fields (EMF), bird fatalities, archaeology, planting of native species and Hydro One's process for removal of potentially contaminated soil.  Regarding EMF - Hydro One shared that as the distance from the line increases, the EMF decreases and therefore it is low at the edge of the right-of-way. Subsequent to the meeting, Hydro One provided Caldwell First Nation with a Health Canada fact sheet regarding EMF. Health Canada monitors scientific research on EMFs and human health as part of its mission to help Canadians maintain and improve their health.  Regarding electrocution of birds, Hydro One shared that this is not a common occurrence on Hydro One facilities because of the configuration of the equipment, although it infrequently may happen. Birds hitting the wires are more common. When Hydro One has been informed of situations where birds commonly have hit wires on either the transmission lines or distribution lines, Hydro One has put "flappers" or bird diverters on the wires to make them more visible to birds.  Regarding Archeology, Hydro One shared that a Stage 1 archaeological study has been completed for the Supply to Essex Reinforcement Project and Hydro One will be completing a Stage 2 study when approval has been received to do further planning. Hydro One has committed to discuss with Caldwell First Nation following approvals whether Caldwell First Nation would like to have their Archaeological monitors involved in the study.  Regarding the planting of native species Hydro One responded that when possible, Hydro One uses native species for planting. There are some exceptions, but planting native species is Hydro One's preference. Hydro One offered to discuss planting plans with Caldwell First Nation regarding the Supply to Essex project once Hydro One begins developing planting plans.  Regarding Hydro One's soil disposal process, Hydro One explained that all the soil is tested prior to disposal and follows all laws and government guidelines with regards to contaminated soil.
<b>Moravian of the Thames (Delaware Nation)</b>	Notice of Commencement sent April 9, 2008 and PIC#1 invitation sent	No	Hydro One followed up via phone with First Nation on May 27, 2008 to discuss project further. Voicemail left.
	Invitation to PIC#2 sent July 7, 2008		
	Letter with information on the selection of the preferred transmission line location and Transformer Station Site sent May 7, 2009		Hydro One followed up via phone on June 9, 2009 and left a voicemail.
	Invitation to PIC#3 sent July 3, 2009		
	Invitation to landowner workshop sent Oct. 14, 2009		
	Letter providing Project update sent November 29, 2013		

<b>Bkejwanong Territory (Walpole Island)</b>	Notice of Commencement sent April 9, 2008 and PIC#1 invitation sent	No	May 27, 2008, Hydro One followed up via phone and discussed the Project with the Chief. Additional information requested by the Chief was sent via email on May 27, 2008.
	Invitation to PIC#2 sent July 7, 2008		
	Letter with information on the selection of the preferred transmission line location and Transformer Station Site sent May 7, 2009		On June 9, 2009 Hydro One followed up via phone regarding the May 7, 2009 package sent from Hydro One. On July 17, 2009 the First Nation left a voicemail with Hydro One. On July 20, 2009 Hydro One returned phone call and left voicemail. On July 21, 2009, the First Nation contacted Hydro One via phone requesting past correspondence and project information be shared with the First Nation. On July 23, 2009 Hydro One sent the information requested. Hydro One followed up with a phone call on July 31, 2009 to ensure information was received. Voicemail left.
	Invitation to PIC#3 sent July 3, 2009		
	Invitation to landowner workshop sent Oct. 14, 2009		
	Letter providing Project update sent November 29, 2013		
<b>Chippewas of Kettle and Stony Point</b>	Notice of Commencement sent April 9, 2008 and PIC#1 invitation.	No	Hydro One followed up via phone on June 6, 2008 and left a voicemail.
	Invitation to PIC#2 sent July 7, 2008.		
	Letter with information on the selection of the preferred transmission line location and Transformer Station Site sent May 7, 2009		Hydro One followed up via phone call on June 8, 2009 and left a message for the Chief and a separate message for the First Nation Liaison Coordinator.
	Invitation to PIC#3 sent July 3, 2009		
	Invitation to landowner workshop sent Oct. 14, 2009		
Letter providing Project update sent November 29, 2013			
<b>Aamjiwnaang</b>	Notice of Commencement sent April 9, 2008 and PIC#1 invitation sent	No	Hydro One followed up via phone call on June 6, 2008 and left a voicemail.
	Invitation to PIC#2 sent July 7, 2008		
	Letter with information on the selection of the preferred transmission line location and Transformer Station Site sent May 7, 2009		Hydro One followed up via phone call on June 8, 2009 and left a voicemail.
	Invitation to PIC#3 sent July 3, 2009		
	Invitation to landowner workshop sent Oct. 14, 2009		
Letter providing Project update sent November 29, 2013			

## LAND MATTERS

### 1.0 DESCRIPTION OF LAND REQUIRED

The proposed Supply to Essex County Transmission Reinforcement Project, for which Hydro One is seeking approval, will involve constructing a new 230 kV overhead transmission line on steel lattice towers along a new corridor. The proposed line will connect the future Leamington Transformer Station (“TS”) and tower structure 225 (Leamington Junction) on the Chatham Switching Station (“SS”) and Keith TS corridor, a distance of approximately 13 kilometres.

The proposed corridor from Leamington Junction to Leamington TS will be a combination of:

- provincially-owned property whose title is held by the Ministry of Infrastructure, and managed by Infrastructure Ontario (no land rights required);
- easement rights on municipally owned and private properties (new land rights required);
- municipal road corridors (no land rights required).

New permanent land rights on properties from Leamington Junction to Leamington TS will be required to accommodate the proposed transmission facilities. Temporary rights for construction purposes will also be required at specific locations along the corridor.

### 2.0 DESCRIPTION OF NEW LAND RIGHTS REQUIRED

The proposed corridor crosses approximately 39 privately-owned properties from Leamington Junction to Leamington TS, for which new land rights are required. The properties traversed by the corridor are mainly agricultural, including a number of

1 greenhouse operations, with some rural residential, recreational land uses, and limited  
2 commercial/industrial uses. Easement rights will also be required along a corridor  
3 formerly used as a rail line and owned by the Municipality of Leamington.

4  
5 The transmission line crosses eight municipal road allowances owned by the  
6 Municipality of Leamington and the Town of Lakeshore. No land rights are required for  
7 these crossings. The line will not intersect any rail lines/rail spurs currently in operation.

### 8 9 **3.0 LAND ACQUISITION PROCESS**

10  
11 Hydro One will be acquiring new easement rights along the Chatham SS to Keith TS  
12 corridor to Leamington TS. Hydro One's approach will be to secure these new rights  
13 through voluntary property settlements. Where mutually acceptable resolution is not  
14 possible, Hydro One will rely on the legislated expropriation process. Hydro One will  
15 initiate specific discussions with affected property owners after filing the section 92  
16 application. Initial meetings with senior staff in affected municipalities have taken place  
17 along the route.

18  
19 Additional temporary working rights will be required, but these are not expected to be  
20 significant. Temporary property rights may be required when crossing or paralleling  
21 existing or planned utilities (e.g., pipelines, power lines) or other planned infrastructure  
22 (e.g., highways), and building construction access roads and working pads. These  
23 requirements will be determined and confirmed at the engineering design stage. Access  
24 agreements with landowners will be required.

25  
26 Copies of the Offer to Grant an Easement, Off-Corridor Temporary Access and Access  
27 Road, Temporary Construction License Agreement for construction staging, and a  
28 Damage Claim Agreement and Release Form which will be used as the basis for

1 compensation related to construction impacts such as crop damage, are included (please  
2 refer to **Exhibit B, Tab 6, Schedule 7, Attachments 1, 2, 3 and 4 respectively**).

3

4 Landowners have been informed of this project as part of the stakeholder and community  
5 consultation process described in **Exhibit B, Tab 6, Schedule 5**, as well as in the EA  
6 approval process. They will also be notified as part of the OEB's Section 92 Notice of  
7 Application requirements.

**OFFER TO GRANT AN EASEMENT TO  
HYDRO ONE NETWORKS INC.**

I, *INSERT NAME* (the "Transferor"),

Being the owner of *INSERT LEGAL DESCRIPTION OF PROPERTY* (herein called the "Lands") in consideration of payment of the sum of \$*INSERT VALUE (INSERT VALUE)* (THE "**OFFER CONSIDERATION**"), and other good and valuable consideration (the sufficiency of which consideration is hereby acknowledged), hereby covenants and agrees as follows:

1. (a) THE Transferor hereby grants to Hydro One Networks Inc. its successors and assigns (the "Transferee") the exclusive right, irrevocable during the periods of time below specified in paragraph 2, (the "**Offer**") to purchase, free from all encumbrances and upon the terms and conditions hereinafter set out, the perpetual rights, easements and privileges set out in the Transfer and Grant of Easement document (the "**Transfer of Easement**" annexed hereto as Schedule "A" (the "**Rights**") in, through, under, over, across, along and upon that portion of the above Lands as shown as *INSERT DESCRIPTION* (the "**Strip**").  
(b) THE purchase price for the Rights shall be the sum of *INSERT VALUE DOLLARS (\$ INSERT VALUE)* lawful money of Canada to be paid by cash or uncertified cheque to the Transferor on Closing (the "**Purchase Price**").
2. THIS Offer may be accepted by the Transferee any time within 60 Days from the date of this Agreement by a letter delivered or facsimile transmission or mailed postage prepaid and registered, to the Transferor at the address set out in paragraph 12. If this Offer is not accepted within this time frame, this Agreement and everything herein contained shall be null, void and of no further force or effect. If this Offer is accepted by the Transferee in the manner aforesaid, this Agreement and the letter accepting such Offer shall then become a binding contract between the parties, and the same shall be completed upon the terms herein provided for.
3. THE Transfer of Easement arising from the acceptance of this Offer shall be executed and delivered to the Transferee on or before the One Hundred and Twentieth (120<sup>th</sup>) day after the date of Transferee's acceptance of this Offer (the "**Closing**") and time shall in all respects be of the essence hereof.
4. IF the Transferee accepts the Offer herein: a) the Transferee shall not grant or transfer an easement or permit, or create any encumbrance over or in respect of the Strip prior to registration of the Transfer of Easement, and b) the Transferee has permission to approach prior encumbrancers or any third parties who have existing interests in the strip to obtain all necessary consents, postponements or subordinations (in registrable form) from all current and future prior encumbrancers and third parties, if necessary, consenting to this Transfer of Easement, and/or postponing their respective rights, title and interest so as to place such Rights and Transfer of Easement in first priority on title to the Strip.
5. TITLE to the Strip shall at Closing be good and free from all registered restrictions, charges, liens, easements and encumbrances of any kind whatsoever except for those matters disclosed in Schedule "B" annexed hereto.
6. The Transfer of Easement and all ancillary documents necessary to register same on title shall be prepared by and at the expense of the Transferee and shall be substantially in the form as the annexed Schedule "A". The Transferor hereby covenants and agrees that the Transferee may, at its option, register this Agreement or Notice thereof, and the Transfer of Easement on title to the Lands, and the Transferor hereby covenants and agrees to execute, at not further cost or condition to the Transferee, such other instruments, plans and documents as may reasonably be required by the transferee to effect registration of this Agreement or Notice thereof prior to closing and the Transfer of Easement at any time hereafter.
7. THE Transferor covenants and agrees with Transferee that it has the right to convey the Rights without restriction and that Transferee will quietly possess and enjoy the Rights and that the Transferor will execute upon request such further assurances of the Rights as may be requisite to give effect to the provisions of this Agreement.
8. AS of the date of the Transferee's acceptance of the Offer, the Transferor grants to the Transferee, in consideration of the Offer Consideration, free from all encumbrances, easements and restrictions the following unobstructed and exclusive rights, easements, rights of way, covenants, agreements and privileges in, through, under, over, across, along and upon the Strip:
  - (a) To enter and lay down, install, construct, erect, maintain, open, inspect, add to, enlarge, alter, repair and keep in good condition, move, remove, replace, reinstall, reconstruct, relocate, supplement and operate and maintain at all times in, through, under, over, across, along and upon the strip an electrical transmission system and telecommunications system consisting in both instances of pole structures, steel towers, anchors, guys and braces and all such

aboveground or underground lines, wires, cables, telecommunication cables, grounding electrodes, conductors, apparatus, works accessories, associated material and equipment, and appurtenances pertaining to or required by either such system (all or any of which are herein individually or collectively called the “**Works**”) as in the opinion of the Transferee are necessary or convenient thereto for use as required by Transferee in its undertaking from time to time, or a related business venture.

- (b) To enter on and selectively cut or prune, and to clear and keep clear, and remove all trees (subject to compensation to Owners for merchantable wood values), branches, bush and shrubs and other obstructions and materials in, over or upon the Strip, and without limitation, to cut and remove all leaning or decayed trees located on the Lands whose proximity to the Works renders them liable to fall and come in contact with the Works or which may in any way interfere with the safe, efficient or serviceable operation of the Works or this easement by the Transferee.
- (c) To conduct all engineering, legal surveys, and make soil tests, soil compaction and environmental studies and audits in, under, on and over the Strip as the Transferee in its discretion considers requisite.
- (d) To erect, install, construct, maintain, repair and keep in good condition, move, remove, replace and use bridges and such gates in all fences which are now or may hereafter be on the Strip as the Transferee may from time to time consider necessary.
- (e) To clear the Strip and keep it clear of all buildings, structures and other obstructions of any nature whatever including removal of any materials which in the opinion of the Transferee are hazardous to the line. Notwithstanding the foregoing, in all cases where in the sole discretion of the Transferee the safe operation and maintenance of the line is not endangered or interfered with, the Transferor from time to time or the person or persons entitled thereto, may with prior written approval of the Transferee, at his or her own expense, construct and maintain roads, lanes, walks drains, sewers, water pipes, oil and gas pipelines, and fences (not to exceed 2 metres in height) on or under the Strip or any portion thereof, provided that prior to commencing any such installation, the Transferor shall give the Transferee 30 days notice in writing so as to enable Transferee to have a representative inspect the site and be present during the performance of the work and that the Transferor complies with any instructions which may be given by such representative in order that such work may be carried out in such a manner as not to endanger, damage or interfere with the line.
- (f) To enter on, and exit from, and to pass and repass at any and all times in, over, along, upon, across, through and under the Strip and so much of the Lands as may be reasonably necessary, at all reasonable times, for the Transferee and its respective officers, employees, workers, permittees, servants, agents, contractors and subcontractors, with or without vehicles, supplies, machinery, plant, material and equipment for all purposes necessary or convenient to the exercise and enjoyment of the said rights and easement subject to payment by the Transferee of compensation for any crop or other physical damage only to the Land caused by the exercise of this right of entry and passageway; and
- (g) To remove, relocate and reconstruct the line on or under the Strip, subject to payment by the Transferee of additional compensation for any damage caused thereby.

9. THE Transferor consents to Transferee, its respective officers, employees, agents, contractors, subcontractors, workers and permittees or any of them entering on, exiting and passing and repassing in, on, over, along, upon, across, through and under the Strip and so much of the Lands as may be reasonably necessary, at all reasonable times after the date of the Agreement until such time as this Offer is accepted and the purchase is completed with or without all plant, machinery, material, supplies, vehicles, and equipment, for all purposes necessary or convenient to the exercise and enjoyment of the Rights, subject to compensation afterwards for any crop or other physical damage only to the Lands or permitted structures sustained by the Transferor caused by the exercise of this right of entry and passageway.

10. THIS Agreement and Grant of Easement Rights shall both be subject to the condition that the provisions of the *Planning Act*, R.S.O. 1990, c. P. 13, as amended, have, in the opinion of Transferee, been satisfactorily complied with. If after consultation with Provincial agencies and Municipalities, Hydro One Networks Inc., decides that the provisions of the *Planning Act*, R.S.O., c.P. 13, and amendments thereto, have not been or cannot be complied with, it may, at its option, cancel this Agreement.

11. ANY documents or money payable hereunder may be tendered upon the parties hereto or their respective solicitors and money may be tendered by negotiable uncertified cheque or cash.

12. ANY acceptance of this Offer, demand, notice or other communication to be given in connection with this Agreement shall be given in writing and shall be given by personal deliver, by registered mail postage prepaid, or by facsimile transmission, addressed to the recipient as follows:

<b>TO TRANSFEROR:</b>	<b>TO TRANSFEREE:</b>
<b>NAME</b>	<b>Hydro One Networks Inc.</b>
<b>ADDRESS</b>	<b>Real Estate Services</b>
<b>PHONE NUMBER</b>	<b>PO BOX 1050</b>
	<b>Milton, ON, L9T 5B9</b>

**Attention:**  
**Fax:**

or to such other address, facsimile number or individual as may be designated by notice given by either party to the other. Any acceptance of this offer, demand notice or other communication shall be conclusively deemed to have been given when actually received by the addressee or upon the second day after the day of mailing.

- 13. THE Transferor represents that he is not now and at the time of Closing shall not be a spouse within the meaning of the *Family Law Act*, R.S.O. 1990, c.F. 3, as amended, failing which, the Transferor shall cause this Agreement and all related documents to be accepted and consented to in writing by the spouse of the Transferor to the satisfaction of the Transferee and at not further cost or condition.
- 14. IN the event of and upon acceptance of this Offer by Hydro One Networks Inc. in manner aforesaid this Agreement and the letter accepting such Offer shall then become a binding contract of sale and purchase between the parties, and the same shall be completed upon the terms herein provided for.
- 15. HYDRO ONE NETWORKS INC. will covenant and agree with the Transferor to indemnify and save harmless the Transferor, his tenants, or other lawful occupiers of the Strip for any loss, damage and injury caused by the acceptance of the Offer and the granting and thereafter of Rights or anything done pursuant thereto or arising from any accident (not including any Act of God) that would not have happened but for the presence of its line on the Strip, provided, however, that Hydro One Networks Inc. shall not be liable to the extent to which such loss, damage, or injury is caused or contributed to by the neglect or default of the Transferor, his tenants, guests, invitees or other lawful occupiers of the Strip or their servants, agents, or workmen.
- 16. THE Transferor covenants and agrees that if and before the Transferor sells, transfers, assigns, disposes (or otherwise parts with possession) of all or part of the Lands to a third party (the "Third Party") the Transferor shall use best efforts to ensure that the third party assumes the burden and benefit of this Agreement, and agrees to be bound by it. Accordingly the Transferor covenants and agrees to use best efforts to obtain from the Third Party a written acknowledgement and agreement that the Third Party is aware of this Agreement and will continue to be bound by the terms, conditions and stipulations of this Agreement.
- 17. ALL covenants herein contained shall be construed to be several as well as joint, and wherever the singular and the masculine are used in this Agreement, the same shall be construed as meaning the plural or the feminine or neuter, where the context or the identity of the Transferor/Transferee so requires.
- 18. THE burden and benefit of this Agreement shall run with the Strip and the works and undertaking of the Transferee and shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

**IN WITNESS WHEREOF** the Transferor has hereunto set his hand and seal to this Agreement, this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

SIGNED, SEALED AND DELIVERED	) ) ) )	In the presence of  _____
---------------------------------	------------------	---------------------------------

*INSERT NAME*

SIGNED, SEALED AND DELIVERED

In the presence of

)  
)  
)  
)

Consent Signature & Release of  
Transferor's Spouse, if non-owner

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## SCHEDULE "A"

### TRANSFER AND GRANT OF EASEMENT

The Transferor is the owner in fee simple and in possession of *INSERT LEGAL DESCRIPTION OF PROPERTY* (The "**Lands**").

The Transferee has erected, or is about to erect, certain Works (as more particularly described in paragraph 1(a) in, through, under, over, across, along and upon the Lands.

1. THE Transferor hereby grants and conveys to Hydro One Networks Inc., its successors and assigns the rights and easement, free from all encumbrances and restrictions, the following unobstructed and exclusive rights, easements, rights-of-way, covenants, agreements and privileges in perpetuity (the "**Rights**") in, through, under, over across, along and upon that portion of the Lands of the Transferor described herein as *INSERT DESCRIPTION* (the "**Strip**") for the following purposes:
  - (a) To enter and lay down, install, construct, erect, maintain, open, inspect, add to, enlarge, alter, repair and keep in good condition, move, remove, replace, reinstall, reconstruct, relocate, supplement and operate and maintain at all times in, through, under, over, across, along and upon the Strip an electrical transmission system and telecommunications system consisting in both instances of pole structures, steel towers, anchors, guys and braces and all such aboveground or underground lines, wires, cables, telecommunications cables, grounding electrodes, conductors, apparatus, works, accessories, associated material and equipment, and appurtenances pertaining to or required by either such system (all or any of which are herein individually or collectively called the ("**Works**") as in the opinion of the Transferee are necessary or convenient thereto for use as required by Transferee in its undertaking from time to time, or a related business venture.
  - (b) To enter on and selectively cut or prune, and to clear and keep clear, and remove all trees (subject to compensation to Transferor for merchantable wood values), branches, bush and shrubs and other obstructions and materials, over or upon the Strip, and without limitation, to cut and remove all leaning or decayed trees located on the Lands whose proximity to the Works renders them liable to fall and come in contact with the Works or which may in any way interfere with the safe, efficient or serviceable operation of the Works or this easement by the Transferee.
  - (c) To conduct all engineering, legal surveys, and make soil tests, soil compaction and environmental studies and audits in, under, on and over the Strip as the Transferee in its discretion considers requisite.
  - (d) To erect, install, construct, maintain, repair and keep in good condition, move, remove, replace and use bridges and such gates in all fences which are now or may hereafter be on the Strip as the Transferee may from time to time consider necessary.
  - (e) Except for fences and permitted paragraph 2(a) installations, to clear the Strip and keep it clear of all buildings, structures, erections, installations, or other obstructions of any nature (hereinafter collectively called the "**obstruction**") whether above or below ground, including removal of any materials and equipment or plants and natural growth, which in the opinion of the Transferee, endanger its Works or any person or property or which may be likely to become a hazard to any Works of the Transferee or to any person or property or which do or may in any way interfere with the safe, efficient or serviceable operation of the Works or this easement by the Transferee.
  - (f) To enter on and exit by the Transferor's access routes and to pass and repass at all times in, over, along, upon and across the Strip and so much of the Lands as is reasonably required, for Transferee, its respective officers, employees, agents, servants, contractors, subcontractors, workmen and permittees with or without all plant machinery, material, supplies, vehicles and equipment for all purposes necessary or convenient to the exercise and enjoyment of this easement subject to compensation afterwards for any crop or other physical damage only to the Lands or permitted structures sustained by the Transferor caused by the exercise of this right of entry and passageway.
  - (g) To remove, relocate and reconstruct the line on or under the Strip subject to payment by the Transferee of additional compensation for any damage caused thereby.
2. THE Transferor agrees that:
  - (a) It will not interfere with any Works established on or in the Strip and shall not, without the Transferee's consent in writing erect or cause to be erected or permit in, under or upon the strip any obstruction or plant or permit any trees, bush, shrubs, plants or natural growth which does or may interfere with the Rights granted herein. The Transferor agrees it shall not, without the Transferee's consent in writing, change or

permit the existing configuration, grade or elevation of the Strip to be changed and the Transferor further agrees that no excavation or opening or work which may disturb or interfere with the existing surface of the Strip shall be done or made unless consent therefore in writing has been obtained from Transferee, provided however, that the Transferor shall not be required to obtain such permission in case of emergency. Notwithstanding the foregoing, in cases where in the reasonable discretion of the Transferee, there is no danger or likelihood of danger to the Works of the Transferee or to any persons or property and the safe or serviceable operation of this easement by the Transferee is not interfered with, the Transferor may at its expense and with the prior written approval of the Transferee, construct and maintain roads, lanes walks, drains, sewers water pipes, oil and gas pipelines, fences (not to exceed 2 metres in height) and service cables on or under the Strip (the "Installation") or any portion thereof; provided that prior to commencing such Installation, the transferor shall give to the Transferee thirty (30) days notice in writing thereof to enable the Transferee to have a representative present to inspect the proposed Installation during the performance of such work, and provided further that Transferor comply with all instructions given by such representative and that all such work shall be done to the reasonable satisfaction of such representative. In the event of any unauthorised interference aforesaid or contravention of this paragraph, or if any authorised interference, obstruction or Installation is not maintained in accordance with the Transferee's instructions or in the Transferee's reasonable opinion, may subsequently interfere with the Rights granted herein, the Transferee may at the Transferor's expense, forthwith remove, relocate, clear or correct the offending interference, obstruction, Installation or contravention complained of from the Strip, without being liable for any damages cause thereby.

- (b) notwithstanding any rule of law or equity, the Works installed by the Transferee shall at all times remain the property of the Transferee, notwithstanding that such Works are or may become annexed or affixed to the Strip and shall at anytime and from time to time be removable in whole or in part by Transferee.
  - (c) no other easement or permission will be transferred or granted and no encumbrances will be created over or in respect to the Strip, prior to the registration of a Transfer of this grant of Rights.
  - (d) The Transferor will execute such further assurances of the Rights in respect of this grant of easement as may be requisite.
  - (e) The Rights hereby granted:
    - (i) shall be of the same force and effect to all intents and purposes as a covenant running with the Strip
    - (ii) sideclared hereby to be appurtenant to and for the benefit of the Works and undertaking of the Transferee described in paragraph 1(a)
3. THE Transferee covenants and agrees to obtain at its sole cost and expense all necessary postponements and subordinations (in registrable form) from all current and future prior encumbrancers, postponing their respective rights, title and interest to the transfer of Easement herein so as to place such Rights and easement in first priority on title to the Lands.
4. THERE are no representations, covenants agreements, warranties and conditions in any way relating to the subject matter of this grant of Rights whether expressed or implied, collateral or otherwise except those set forth herein.
5. NO waiver of a breach or any of the covenants of this grant of Rights shall be construed to be a waiver of any succeeding breach of the same or any other covenant.
6. THE burden and benefit of this transfer of Rights shall run with the Strip and the Works and undertaking of the Transferee and shall extend to, be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

**SCHEDULE "B"**  
**PERMITTED ENCUMBRANCES**

NIL

**Temporary Access and Temporary Access Road**

**THIS AGREEMENT** made in duplicate the \_\_\_\_\_ day of \_\_\_\_\_ 20XX

Between:

***INSERT NAME OF OWNER***

(hereinafter referred to as the “Grantor”)

OF THE FIRST PART

--- and ---

**HYDRO ONE NETWORKS INC.**

(hereinafter referred to “HONI”)

OF THE SECOND PART

WHEREAS the Grantor is the owner in fee simple and in possession of certain lands legally described as, ***INSERT LEGAL DESCRIPTION*** (the “Lands”).

WHEREAS HONI in connection with its [**Insert Project Name**] Project (the “Project”) desires the right to enter onto the Lands in order to construct temporary access roads on, over and upon the Lands in order to access the construction site associated with the “Project.”

WHEREAS the Grantor is agreeable in allowing HONI to enter onto the Lands for the purpose of constructing temporary access roads on, over and upon the Lands, subject to the terms and conditions contained herein.

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that in consideration of the sum of ***INSERT CONSIDERATION*** to be paid by HONI to the Grantor, and the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The Grantor hereby grants, conveys and transfers to HONI in, over, along and upon that part of the Lands highlighted in yellow as shown in Schedule “A” attached hereto (the “Access Lands”), the rights privileges, and easements as follows:
  - (a) for the servants, agents, contractors and workmen of HONI at all times with all necessary vehicles and equipment to pass and repass over the Access Lands for the purpose of access to the construction site associated with the Project, subject to payment of compensation for damages to any crops caused thereby;
  - (b) to construct, use and maintain upon the Access Lands, a temporary road to the construction site associated with the Project, together with such gates, bridges and drainage works as may be necessary for HONI’s purposes (collectively, the “Works”), all of which Works shall be removed by HONI upon completion of the construction associated with the Project.; and
  - (c) to cut and remove all trees, brush and other obstructions made necessary by the exercise of the rights granted hereunder
2. The term of this Agreement and the permission granted herein shall be XXXX from the date written above (the “Term”). HONI may, in its sole discretion, and upon 60 days notice to the Grantor, extend the Term for an additional length of time, which shall be negotiated between the parties.
3. Upon the expiry of the Term or any extension thereof, HONI shall repair any physical damage to the Access Lands and/or Lands resulting from HONI’s use of the Access Lands and the permission granted herein; and, shall restore the Access Lands to its original condition so far as possible and practicable.
4. All agents, representatives, officers, directors, employees and contractors and property of HONI located at any time on the Access Lands shall be at the sole risk of HONI and the Grantor shall not be liable for any loss or damage or injury (including loss of life) to them or it however occurring except and to the extent to which such loss, damage or injury is caused by the negligence or willful misconduct of the Grantor.
5. HONI agrees that it shall indemnify and save harmless the Grantor from and against all claims, demands, costs, damages, expenses and liabilities (collectively the “Costs”) whatsoever arising out of HONI’s presence on the Access Lands or of its activities on or

in connection with the Access Lands arising out of the permission granted herein except to the extent any of such Costs arise out of or are contributed to by the negligence or willful misconduct by the Grantor.

- 6. Notices to be given to either party shall be in writing, personally delivered or sent by registered mail (except during a postal disruption or threatened postal disruption), telegram, electronic facsimile or other similar means of prepaid recorded communication to the applicable address set forth below (or to such other address as such party may from time to time designate in such manner):

TO HONI:

Hydro One Networks Inc.  
Real Estate Services  
5<sup>th</sup> Floor  
483 Bay Street South Tower  
Toronto, Ontario M5G 2P5

Attention:  
Fax:

TO GRANTOR:

- 7. Notices personally delivered shall be deemed to have been validly and effectively given on the day of such delivery. Any notice sent by registered mail shall be deemed to have been validly and effectively given on the fifth (5<sup>th</sup>) business day following the date on which it was sent. Any notice sent by telegram, electronic facsimile or other similar means of prepaid recorded communication shall be deemed to have been validly and effectively given on the Business Day next following the day on which it was sent. "Business Day" shall mean any day which is not a Saturday or Sunday or a statutory holiday in the Province of Ontario. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable herein. The parties hereto submit themselves to the exclusive jurisdiction of the Courts of the Province of Ontario.
- 8. Any amendments, modifications or supplements to this Agreement or any part thereof shall not be valid or binding unless set out in writing and executed by the parties with the same degree of formality as the execution of this Agreement.
- 9. The burden and benefit of this Agreement shall run with the Lands and everything herein contained shall operate to the benefit of, and be binding upon, the respective heirs; successors, permitted assigns and other legal representatives, as the case may be, or each of the Parties hereto.

**IN WITNESS WHEREOF** the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the day and year first above written.

SIGNED, SEALED & DELIVERED  
In the presence of:

**OWNER:**

\_\_\_\_\_  
Witness

\_\_\_\_\_

\_\_\_\_\_  
Witness

\_\_\_\_\_

HYDRO ONE  
HST #

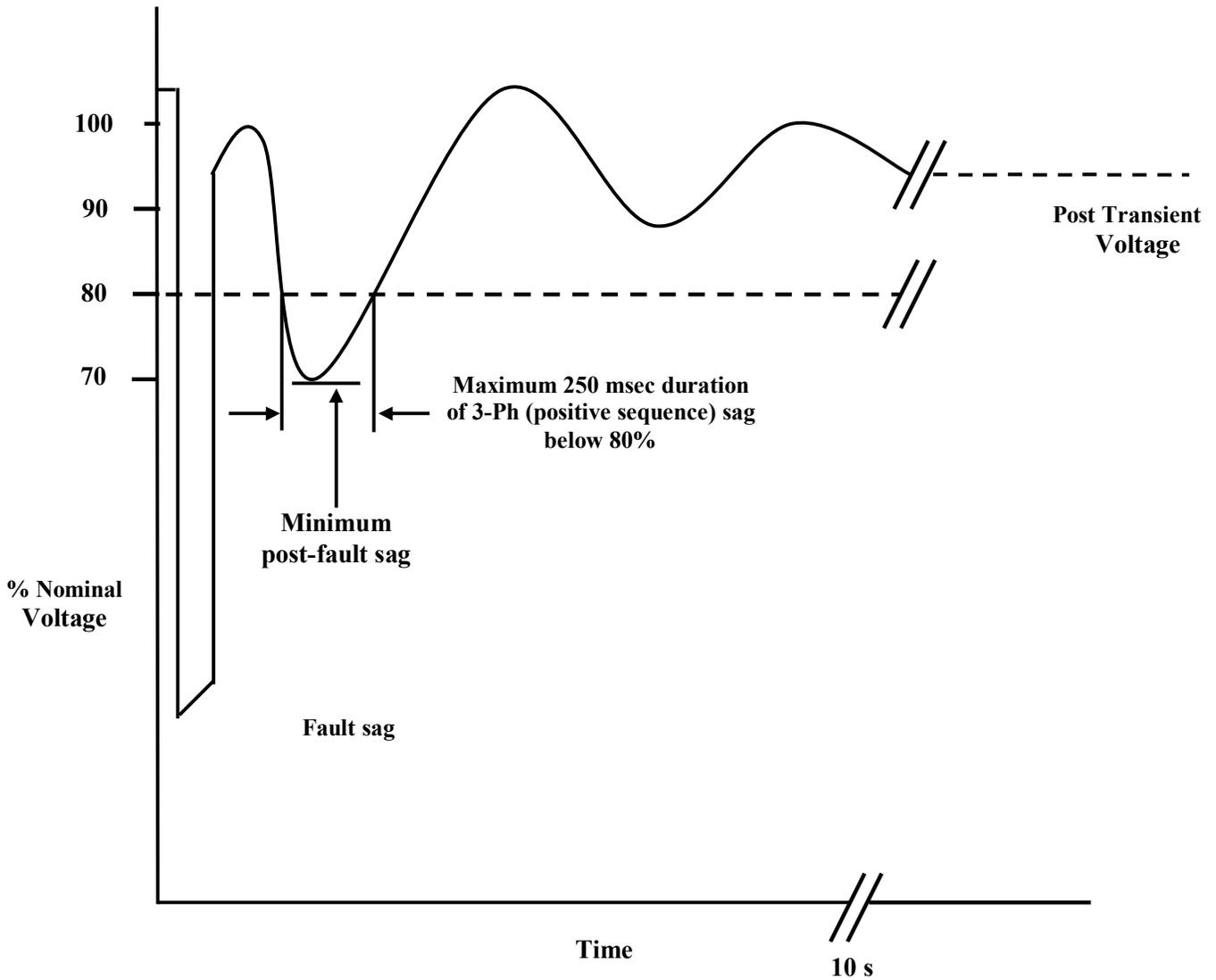
**HYDRO ONE NETWORKS INC.**

By: \_\_\_\_\_  
Name:  
Title:

I have authority to bind the Corporation

**SCHEDULE "A"**  
**PROPERTY SKETCH**

**Transient Voltage Sag Criteria**



Mitigation options include high-speed fault clearing, *special protection systems*, field forcing, transmission reinforcements and transmission interface transfer limits.

While the determination of whether a transient stability test is stable or unstable is generally straightforward, issues such as transient load shakedown, high voltage tripping of capacitors, and undamped oscillatory behaviour in the post-transient period should be considered using the following guidelines:

- occasional tests should be run out to about thirty seconds - first swing stability does not guarantee transient stability;
- high voltage swings will generally be considered acceptable unless the magnitude or duration of the high voltage swing could be sufficient to cause capacitor tripping. Typical maximum voltage and duration of swing to avoid damage to and tripping of high voltage capacitors are identified

below. The magnitude of the high voltage swing must be less than the capacitor breaker rating multiplied by the factor in the following table for the duration indicated.

<b>Duration</b>	<b>Maximum Permissible Voltage (Multiplying Factor To Be Applied to Rated RMS Voltage)</b>
½ cycle	3.00
1 cycle	2.70
6 cycles	2.20
15 cycles	2.00
1 second	1.70
15 seconds	1.40

## 4.5 Steady State Voltage Stability

Adequate voltage performance under 4.4 above does not guarantee system voltage stability. Steady state stability is the ability of the *IESO-controlled grid* to remain in synchronism during relatively slow or normal load or generation changes and to damp out oscillations caused by such changes.

The following checks are carried out to ensure system voltage stability for both the pre-contingency period and the steady state post-contingency period:

- Properly converged pre- and post-contingency powerflows are to be obtained with the critical parameter increased up to 10% with typical generation as applicable;
- All of the properly converged cases obtained must represent stable operating points. This is to be determined for each case by carrying out P-V analysis at all critical buses to verify that for each bus the operating point demonstrates acceptable margin on the power transfer as shown in the following section; and
- The damping factor must be acceptable (the real part of the eigenvalues of the reduced Jacobian matrix are positive).

The following sections provide more information on damping factor, use of P-V curves to identify stability limits, and dynamic voltage performance simulations.

### 4.5.1 Power – Voltage (P-V) Curves

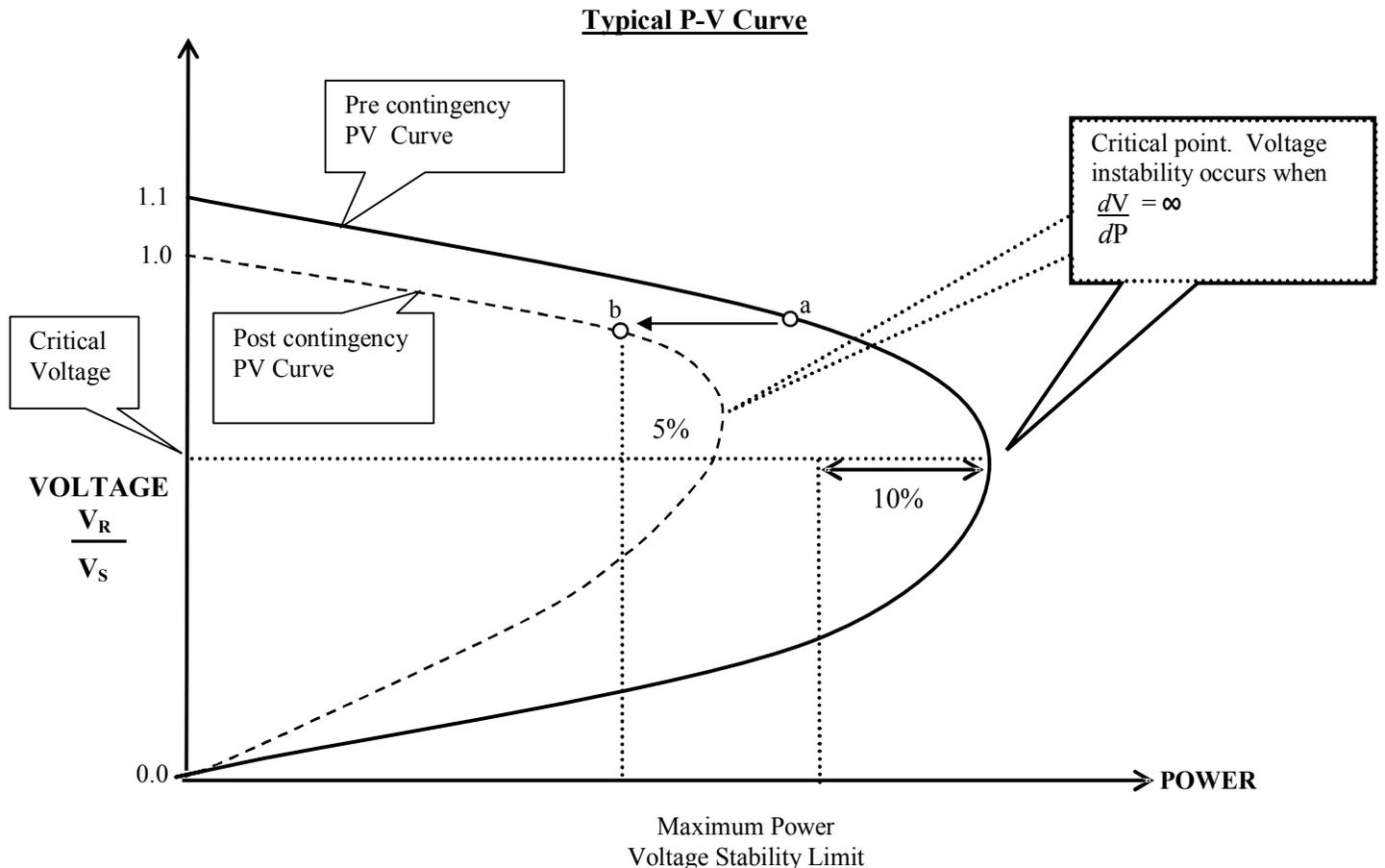
To generate the P-V curve, loads should be modeled as constant MVA. In specific situations, if good data is available, voltage dependent loads and tap-changer action may be modeled in detail to assess the system voltage performance following the contingency and automatic equipment actions but before manual operator intervention.

Power flow programs can be used to generate a P-V curve. In certain situations it may be desirable to manually generate a P-V curve to take into account specific remedies available.

A sample P-V curve is shown below. The critical point of the curve, or voltage instability point, is the point where the slope of the P-V curve is vertical. As illustrated, the maximum acceptable pre-contingency power transfer must be the lesser of:

- a pre-contingency power transfer (point a) that is 10% lower than the voltage instability point of the pre-contingency P-V curve, and
- a pre-contingency transfer that results in a post-contingency power flow (point b) that is 5% lower than the voltage instability point of the post-contingency curve

The P-V curve is dependent on the power factor. Care must be taken that the worst case P-V curve is used to identify the stability limit.



## 4.5.2 Damping Factor

The damping factor provides a measure of the steady-state stability margin of a power system. The damping factor can be derived from an eigenvalue state-space model of the power system. The damping factor ( $\xi$ ) is:

$$\xi = \frac{-\delta}{\sqrt{\delta^2 + \omega^2}}$$

where  $\delta$  and  $\omega$  are the real and imaginary parts of the critical eigenvalue. If  $\delta$  is negative, the oscillations will decay. Where the eigenvalues are not available  $\delta$  and  $\omega$  may be measured from time domain simulations by assuming that the oscillations are exponentially damped sinusoids in a second order system.

The damping factor determines the rate of decay of the amplitude of the oscillation. The following table provides pre and post contingency damping factor requirements.

**Acceptable Damping Factors**

System Condition	Damping Factor
Pre-Contingency	> 0.03
Post-contingency <sup>1</sup>	> 0.00
Post-Contingency <sup>2</sup>	> 0.01
Following Reperation of the system <sup>3</sup>	> 0.03

1. Before automatic intervention
2. Following automatic intervention. Studies should assume **NO** manual intervention
3. Following all permissible control actions identified in section 3.4

For critical cases, there should be evidence of strong damping of system oscillations within about 10 seconds, otherwise, simulations should be run out to about 20 seconds and all modes of oscillations should show adequate damping behaviour. For swings characterized by a single dominant mode of oscillation, the damping can be calculated directly from the oscillation envelope; a 15% decrement between cycles is required to meet the damping factor criteria.

## 4.6 Congestion

Congestion is the condition under which the trades that *market participants* wish to implement exceed the capability of the *IESO-controlled grid*. It usually requires the system operator to adjust the output of generators, decreasing it in one area to relieve the constraint and to increase it in another to continue to meet customer *demand*.

For long term *adequacy* assessments, congestion should be flagged where observed. Congestion is flagged as the amount of time that interface flows exceed 100% of their limit where the limit has been increased by the use of applicable *SPSs*. Locational pricing data, where available, may be used to assess historical congestion costs.

## 4.7 Line and Equipment Loading

### 4.7.1 General Guidelines

All line and equipment loading limits, the limited time associated emergency ratings and the ambient conditions assumed in determining the ratings are defined by the equipment owner. Long-term emergency ratings are generally a 10-day limited time rating for transformers, and a continuous or 50 hour /year rating for transmission circuits. Short-term emergency ratings are generally 15-minute or 30-minute limited time ratings for transformers and transmission circuits. For each assessment, the applicable ratings will be confirmed with the equipment owner.

### 4.7.2 Loading Criteria

All line and equipment loads shall be within their continuous ratings with all elements in service and within their long-term emergency ratings with any one element out of service. Immediately following contingencies, lines may be loaded up to their short-term emergency ratings where control actions such as re-dispatch, switching, etc. are available to reduce the loading to the long-term emergency ratings.

It is assumed that for the bulk power system, loading conditions and control actions are available to reduce the loading to the long-term emergency rating or less within 15 minutes.

Circuit breakers, current transformers, disconnect switches, buses and all other system elements must not be restrictive.

The ratings of tie lines are governed by agreements between the *facility* owners. The criteria to direct operation of the lines are governed by agreements between the system or market operators.

## 4.8 Short Circuit Levels

Short circuit studies are to be carried out with all existing *generation facilities* in service and with all *connection assessments* that have been approved, including those that did not require a formal *connection assessment* study. System voltages are to be assumed to be at the maximum acceptable system voltage identified in Section 4.2. The latest information from neighbouring systems that may have an impact on short circuit studies (including *NPCC SS-38* and *NERC MMWG* representation) is to be used to define relevant *interconnection* assumptions. Short circuit levels must be within the maximum short circuit levels and duration specified in the Ontario Energy Board's (OEB's) "Transmission System Code".

No margin is used when comparing the short circuit value to *facility* ratings.

The *IESO* will accept make before break switching operations that temporarily increase fault levels beyond breaker interrupting capability as long as affected equipment owners are willing to accept the risk and its consequences.

## 4.9 Station Layout

Guidance on transformer and switching station layout is provided in Appendix B. The guidelines provide an acceptable way towards meeting the contingency criteria of section 2.7. However, other configurations and station layouts that meet those criteria are also acceptable.

– End of Section –

## 5. Transmission Connection Criteria

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The term “transmission connection” is applied to any *facility* that establishes or modifies a connection to the *IESO-controlled grid* such that a *connection assessment* is required.

### 5.1 New or Modified Facilities

New or modified *facilities* must satisfy all *NERC* standards, *Regional Reliability Council Criteria*, and the requirements of the OEB's "Transmission System Code", the "Market Rules" and associated standards, policies, and procedures.

New or modified *facilities* must not materially reduce the level of *reliability* of existing *facilities*. Specifically:

- *facilities* within a common zone of protection, such as line taps or bus sections, must be built to meet or exceed the affected *transmitter's* standards prevailing at the time of construction;
- the *security* and dependability of protection equipment that forms a common zone of protection, or of protections that are required to operate in a coordinated fashion, must be of a standard of *reliability* that is equal to or higher than the *reliability standards* specified in the OEB's "Transmission System Code" prevailing at the relevant time;
- *facilities*, such as line taps, that significantly increase the line length and thereby its exposure to faults, may be required to use circuit breakers and separate zones of protection to limit the additional exposure to existing connections; and
- new or modified connections must not materially reduce the existing transfer capability of the *IESO-controlled grid*, and must not impose additional restrictions on the deployment of existing *connection facilities*.

## 5.2 Effect on Existing Facilities

New or modified connections must not materially reduce the load-meeting capability of existing *facilities*.

New or modified connections must not restrict the capability of existing *generation facilities* or loads to deliver to or receive power from the *IESO-controlled grid*.

Where there would be insufficient transmission capability to deliver the maximum registered capacity to the *IESO-controlled grid* while recognizing applicable contingency criteria:

- the proposal must be re-designed, e.g. the maximum registered capacity must be reduced to a level that can be delivered;
- the transmission *facilities* must be refurbished or replaced; or
- *special protection systems (SPS)*, in limited circumstances, may be utilized to mitigate the effects of contingencies on the transmission *facilities*.

– End of Section –

## 6. Generation Connection Criteria

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Transmission to incorporate new generation is defined as those new circuits that connect the generator to the *IESO-controlled grid*, plus any reinforcements to the *IESO-controlled grid* required as a direct and sole result of the new generation. With the new generation at its maximum output, all load levels should be considered.

### 6.1 Voltage Change

The loss of a generating *facility* due to a single-element contingency involving any element upstream of the generator bus (e.g. line or step-up transformer) should respect the voltage change criteria in section 4.3.

### 6.2 Wind Power

- For the purposes of *transmission system adequacy* and *connection assessments*, wind powered generators are to be treated as *non-dispatchable* (intermittent) units which are operating up to their maximum output.
- For *connection assessments*, transmission line ratings will be calculated using 15km/h winds, instead of the typical 4km/h, within the vicinity of the wind farm and, with the approval of the *transmission* asset owner, out to a 50 km radius.

Guidance on technical requirements related to wind turbine performance and wind farm station layout is provided in Appendix C. The guidelines provide a design that satisfies the contingency criteria of section 2.7. However, other configurations and station layouts that meet those criteria are also acceptable.

As the *IESO* gains more experience with the operating characteristics of wind powered generators, the above criteria may be revised.

### 6.3 Synchronous Generation

Transmission *facilities* for incorporating new generation must meet the requirements of section 5. Guidance on technical requirements related to synchronous generator performance, station layout, and connection to the *IESO-controlled grid* is provided in Appendix D. The guidelines provide a design that satisfies the contingency criteria of section 2.7. However, other configurations and station layouts that meet those criteria are also acceptable.

## 6.4 Station Layout

Guidance on transformer and switching station layout is provided in Appendix B. The guidelines provide an acceptable way towards meeting the contingency criteria of section 2.7. However, other configurations and station layouts that meet those criteria are also acceptable.

– End of Section –

## 7. Load Security and Restoration Criteria

The long-term *transmission system* planning criteria below establish default levels of load *security* and load restoration. The application of a lower level of load *security* may be acceptable in the non bulk portions of the *IESO-controlled grid* provided the bulk power system adheres to *NERC* and *NPCC* standards. Different criteria may be used for the facilities beyond the load side of the *connection point* to the *transmission system* (notionally the defined point of sale).

### 7.1 Load Security Criteria

The *transmission system* must be planned to satisfy *demand* levels up to the extreme weather, median-economic forecast for an extended period with any one transmission element out of service. The *transmission system* must exhibit acceptable performance, as described below, following the design criteria contingencies defined in sections 2.7.1 and 2.7.2. For the purposes of this section, an element is comprised of a single zone of protection.

With all transmission *facilities* in service, equipment loading must be within continuous ratings, voltages must be within normal ranges and transfers must be within applicable normal condition stability limits. This must be satisfied coincident with an outage to the largest local generation unit.

With any one element out of service<sup>3</sup>, equipment loading must be within applicable long-term *emergency* ratings, voltages must be within applicable *emergency* ranges, and transfers must be within applicable normal condition stability limits. Planned load *curtailment* or load rejection, excluding voluntary *demand* management, is permissible only to account for local generation outages. Not more than 150MW of load may be interrupted by configuration and by planned load *curtailment* or load rejection, excluding voluntary *demand* management. The 150MW load interruption limit reflects past planning practices in Ontario.

With any two elements out of service<sup>4</sup>, voltages must be within applicable *emergency* ranges, equipment loading must be within applicable short-term *emergency* ratings and transfers must be within applicable *emergency* condition stability limits. Equipment loading must be reduced to the applicable long-term *emergency* ratings in the time afforded by the short-time ratings. Planned load *curtailment* or load rejection exceeding 150MW is permissible only to account for local generation outages. Not more than 600MW of load may be interrupted by configuration and by planned load *curtailment* or load rejection, excluding voluntary *demand* management. The 600MW load interruption limit reflects the established practice of incorporating up to three typical modern day distribution stations on a double-circuit line in Ontario.

<sup>3</sup> For example, after a single-element contingency with all transmission elements in service pre-contingency.

<sup>4</sup> For example, after a double-element contingency will all transmission elements in service pre-contingency or after a single-element contingency with one transmission element out of service pre-contingency.

## 7.2 Load Restoration Criteria

The *IESO* has established load restoration criteria for high voltage supply to a *transmission customer*. The load restoration criteria below are established so that satisfying the restoration times below will lead to an acceptable set of *facilities* consistent with the amount of load affected.

The *transmission system* must be planned such that, following design criteria contingencies on the *transmission system*, affected loads can be restored within the restoration times listed below:

- a. All load must be restored within approximately 8 hours.
- b. When the amount of load interrupted is greater than 150MW, the amount of load in excess of 150MW must be restored within approximately 4 hours.
- c. When the amount of load interrupted is greater than 250MW, the amount of load in excess of 250MW must be restored within 30 minutes.

These approximate restoration times are intended for locations that are near staffed centres. In more remote locations, restoration times should be commensurate with travel times and accessibility.

## 7.3 Control Action Criteria

The deployment of control actions and *special protection systems* must not result in material adverse effects on the bulk system.

The *transmission system* may be planned such that control actions such as generation re-dispatch, reactor and capacitor switching, adjustments to phase-shifter and HVdc pole flow, and changes to inter-Area transactions may be judiciously employed following contingencies to restore the power system to a secure state.

The reliance upon a *special protection system* must be reserved only for exceptional circumstances, such as to provide protection for infrequent contingencies, temporary conditions such as project delays, unusual combinations of system *demand* and *outages*, or to preserve system integrity in the event of severe *outages* or extreme contingencies.

Transmission expansion plans for areas that may have a material adverse effect on the interconnected bulk power system must not rely on *NPCC* Type I *special protection systems* with all planned *transmission facilities* in service.

## 7.4 Application of Restoration Criteria

Where a need is identified, for example via the *IESO's* outlooks or via the OPA's IPSP, *market participants* and the applicable *transmitter* will be notified of the need for a deliverability study.

*Transmission customers* and *transmitters* can consider each case separately taking into account the probability of the contingency, frequency of occurrence, length of repair time, the extent of hardship caused and cost. The *transmission customer* and *transmitter* may agree on higher or lower levels of *reliability* for technical, economic, safety and environmental reasons provided the bulk power system adheres to *NERC* and *NPCC* standards.

## 7.5 Exemptions to the Restoration Criteria

Where the *transmission customer(s)* and *transmitter(s)* agree that satisfying the security and restoration criteria on *facilities* not designated as part of the bulk system is not cost justified, they may jointly apply for an *exemption* to the *IESO*. In applying for this *exemption*, *transmission customer(s)* and *transmitter(s)* will identify the conditions (generally the timing and load level) under which they plan to satisfy the criteria. *IESO* will assess these on a case-by-case basis and grant the *exemption*, allowing a lower level of *reliability*, unless there is a material adverse effect on the *reliability* of the bulk power system.

**End of Section**



## 8. Resource Adequacy Assessment Criterion

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### 8.1 Statement of Resource Adequacy Criterion

To assess the *adequacy* of resources in Ontario, the *IESO* uses the *NPCC* resource adequacy design criterion from *NPCC A-02*:

“Each Area’s probability (or risk) of *disconnecting* any firm load due to resource deficiencies shall be, on average, not more than once in ten years. Compliance with this criterion shall be evaluated probabilistically, such that the loss of load expectation [LOLE] of *disconnecting* firm load due to resource deficiencies shall be, on average, no more than 0.1 day per year. This evaluation shall make due allowance for *demand* uncertainty, scheduled *outages* and deratings, *forced outages* and deratings, assistance over *interconnections* with neighboring Areas and Regions, *transmission transfer capabilities*, and capacity and/or load relief from available operating procedures.”

### 8.2 Application of the Resource Adequacy Criterion

The *IESO* uses the General Electric Multi-Area Simulation (MARS) computer program to determine the reserve margin required to meet the *NPCC* resource adequacy criterion. A detailed load, generation, and transmission representation for 10 zones in Ontario is modeled in MARS. Simple representations are used for the five external *control areas*<sup>2</sup> to which Ontario *connects*.

The reserve margin is expressed as a percent of *demand* at the time of the annual peak where the LOLE is at or just below 0.1 days per year. A reserve margin calculated on this basis represents the minimum acceptable reserve level needed to meet the *NPCC* resource adequacy criterion. At least once per year, *IESO* will calculate the required reserve margin at the time of annual peak for the next five years and will *publish* this value.

For operational planning purposes, just meeting the *NPCC* criterion is considered sufficient since frequent forecast updates combined with significant *outage* flexibility, external economic supply potential and the availability of *emergency* operating procedures have historically provided sufficient “insurance” against residual supply risk.

For capacity planning purposes, where longer term decisions must be made, additional reserves to cover residual uncertainties and project delays may be appropriate. Also, the *IESO* does not consider *emergency* operating procedures for longer term capacity planning because the relief provided by these measures is intended for dealing with *emergencies* rather than being used as a surrogate resource. Regular triggering of *emergency* operating procedures rather than developing appropriate resources could lead to the erosion of these options through overuse. The extent to which all uncertainty is covered becomes an economic decision which should be guided by the *NPCC* criterion.

### 8.3 Resource Assumptions

The Ontario system has a resource mix comprised of a variety of fuel types. Assumptions about resource availability vary by fuel type. Generally, resource availability forecasts are based on median assumptions. A complete description of the resource assumptions used in the *IESO's adequacy* assessments can be found in the methodology document entitled, "Methodology to Perform Long Term Assessments". This document is *published* quarterly with the release of the 18-Month Outlook Resource Adequacy Assessments.

**End of Section**

# Appendix A: IESO/NPCC/NERC Reliability Rule cross-reference

**IESO/NPCC/NERC Reliability Rule Cross-Reference**

Section	Ontario Criteria	NPCC Criteria	NERC Standard
<i>Resource Adequacy</i>	<i>Available Capacity Reserve Margin Requirement</i>	A-2	TPL-005, 006; MOD-016 to MOD-021, 024, 025
Transmission Capability Planning  <b>Bulk Power System</b>	Thermal Assessment	A-2	TPL-003; FAC-001, 002
	Voltage Assessment	A-2	
	Stability Assessment	A-2	
	Extreme Contingency Assessment	A-2	TPL-004
Transmission Capability Planning  <b>Non Bulk Local Areas</b>	Thermal Assessment		TPL-003; FAC-001, 002
	Voltage Assessment		
	Stability Assessment		
	Supply Deliverability Level		TPL-004

– End of Section –



## Appendix B: Guidelines for Station Layout

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This Appendix provides a guide to desirable configurations. Variations from this guide are permissible provided that such variations comply with the criteria of sections 2.7 and 4.

The specification of station layout requires consideration of the number of breakers required to trip all infeeds to a fault. Increasing the number of breakers to clear a fault results in the relaying systems becoming more complex and increases the chance of failure to clear all infeeds to the fault.

It is not practical to calculate mathematically the optimum balance of complexity, *reliability* and cost in specifying station layout. Therefore, a review of existing practices has been made and compiled as a guide to show the maximum complexity that should normally be permitted in design of station layout or switching connections for transformers or circuits.

In general, the specification of station layout and the number of breakers needed to trip to clear faults should take into account the following:

- probability of failure
- *reliability* studies of the layout
- effect on the *IESO-controlled grid*
- nature and size of the load affected
- typical duration of a failure
- operating efficiency

### B.1 OEB's Transmission System Code

Any new connection or modification of an existing station layout must meet the requirements of the "Market Rules" and the OEB's "Transmission System Code".

The OEB's "Transmission System Code" specifies that all customers must provide an isolating *disconnect* switch or device at the point or junction between the *transmitter* and the customer. This device is to physically and visually open the main current-carrying path and isolate the Customer's *facility* from the *transmission system*. Details are provided in Schedule F of the OEB's "Transmission System Code".

Schedule G of the OEB's "Transmission System Code" specifies that a high-voltage interrupting device (HVI) shall provide a point of isolation for the generator's station from the *transmission system*. The HVI shall be a circuit breaker unless the *transmitter* authorizes another device.

## B.2 Analysis of System Connections

The key factors that must be considered when evaluating a switching or transformer station include:

- *Security* and quality of supply  
Relevant criteria are presented in section 4.
- Extensibility  
The design should allow for forecast need for future extensions if practical.
- Maintainability  
The design must take into account the practicalities of maintaining the substation and associated circuits. It should allow for elements to be taken out of service for maintenance without negatively impacting *security* and quality of supply.
- Operational Flexibility  
The physical layout of individual circuits and groups of circuits must permit the required operation of the *IESO-controlled grid*.
- Protection Arrangements  
The design must allow for adequate protection of each system element
- Short Circuit Limitations  
In order to limit short circuit currents to acceptable levels, bus arrangements with sectioning *facilities* may be required to allow the system to be split or re-connected through a fault current limiting reactor.

The contingencies evaluated in assessing proposed station layout *adequacy* will be those outlined in section 2.7. The *IESO* will analyze the effect of various contingencies on the *adequacy* and *security* of the *IESO-controlled grid*. The *IESO* will also ensure that the proposed configuration allows for routine maintenance *outages* with minimal exposure to load interruption from subsequent contingencies. For example, for *facilities* classed as bulk power system, the *IESO* will examine the following contingencies for the proposed station layout:

- Fault on any element with delayed clearing because of a stuck breaker
- Maintenance *outage* on a breaker or bus followed by a single-element contingency

The resulting *IESO-controlled grid* performance must meet the criteria in section 4. As the *IESO-controlled grid* develops, the criteria under which a particular station layout is assessed may change (e.g. a *local area* station may become a bulk power system station).

The *IESO* will then evaluate the amount of load interrupted by single-element contingencies (or double circuit contingencies depending on the load level) with the proposed station layout". For example a *local area* switching station layout would be reviewed to ensure that a single-element or double circuit contingency would not result in an interruption that exceeds the criteria in section 7.1.

Evaluations of modifications to existing *facilities* will take into account the lower level of flexibility and layouts will be evaluated on the extent they meet the assessment criteria.

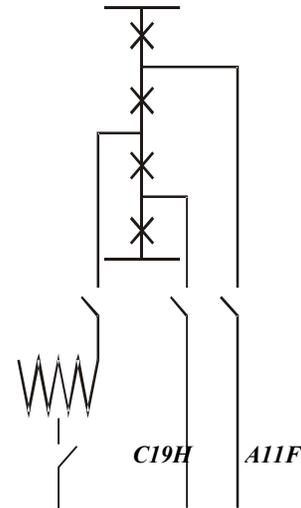
### B.3 General Requirement's For Station Layouts

This section identifies general requirements for all station layouts based on *good utility practice* and operational efficiency. Acceptable system performance will dictate the acceptability of any proposed layout. This section provides the electrical single line diagram and does not reflect physical layouts. See section B.4 for information on physical layout.

#### B.3.1 “Breaker-And-A-Third” Layouts

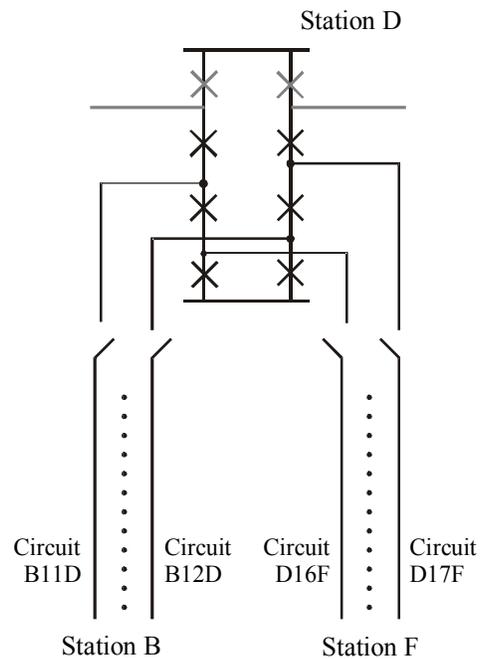
In “breaker-and-a-third” layouts the ideal location for autotransformers and generators is in the middle of the diameter as shown.

It is desirable to have one element (one autotransformer or one line) per position.



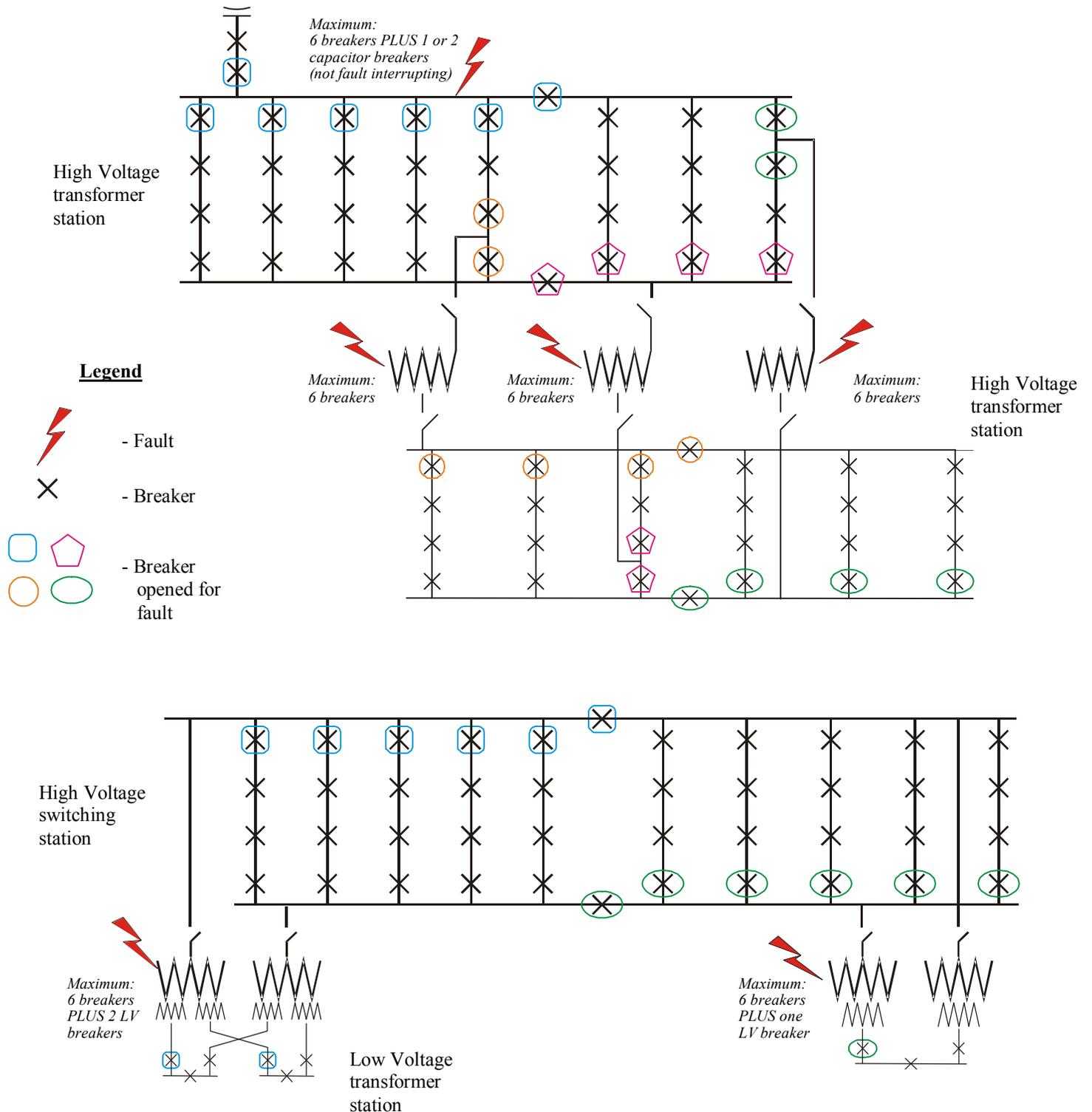
#### B.3.2 Bus Balance

The ideal arrangement for a double circuit line is to terminate each circuit on different diameters positioned so that there is maximum flexibility and *security* for a variety of fault and operating scenarios.



### B.3.3 Maximum Breakers

Station layout should be such that a maximum of 6 High Voltage (500kV, 230kV and 115kV) and up to 2 capacitor or 2 Low Voltage breakers are needed to trip following any fault (operation of the capacitor breaker does not involve interruption of fault current). The following layouts illustrate these rules.



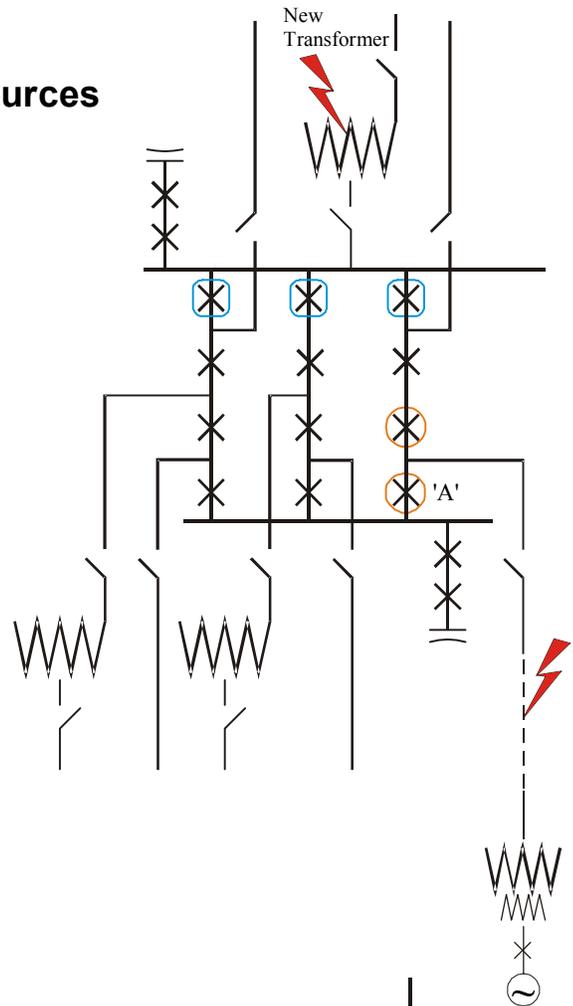
### B.3.4 Separation of Reactive Power Sources

The goal of a good station layout is to minimize the effect of a contingency. Thus a contingency should result in the fewest possible number of elements removed from service.

In this vein, only one supply element should be connected directly to a bus. The intent is that a single contingency not result in the loss of two VAR sources.

For example, when terminating a new autotransformer, generator, circuit, or capacitor bank onto a bus, a single element contingency should not result in the loss of the autotransformer or line and the simultaneous loss of the capacitor bank or generator. (It would be acceptable to connect a step-down transformer and capacitor bank to the same bus.)

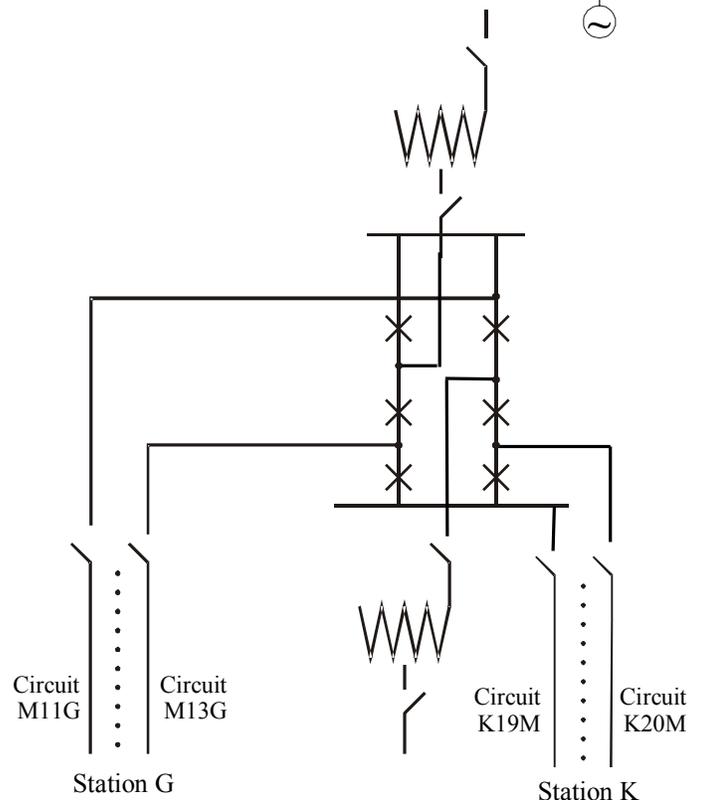
Per B.3.1, the ideal location of a generator is in the centre of a diameter (where the autotransformers are connected on the layout shown). The generator termination at the location shown is not ideal. A single-element contingency with breaker failure would result in the simultaneous loss of the generator and capacitor bank. To determine the acceptability of the layout shown it would be necessary to conduct a transmission assessment to class the *facility* as either bulk power system or local and then to evaluate the performance of the *IESO-controlled grid* for the appropriate contingencies.



### B.3.5 Ring Bus

A minimum of three diameters is desired. Alternatively if a ring bus is temporarily unavoidable, the station should be laid out for the future addition of another diameter.

During periods when breakers are out-of-service for maintenance, ring buses can impose significant operational constraints. The layout shown provides one way to optimize the layout of a ring bus and minimize the adverse effect of maintenance.

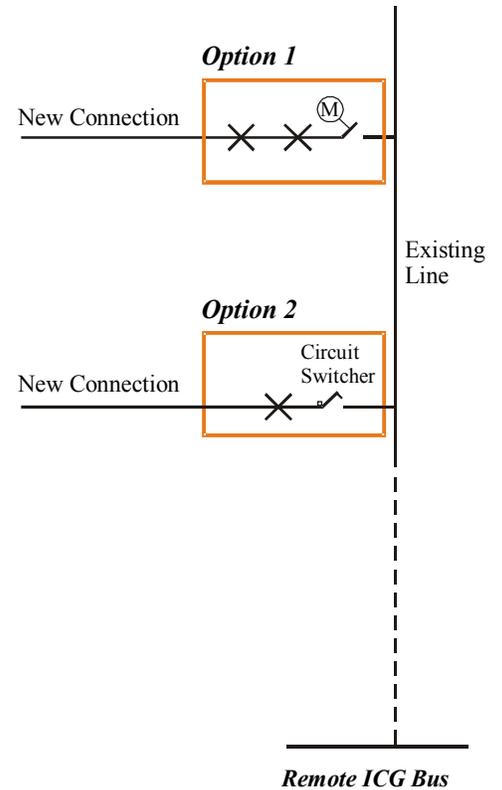


### B.3.6 Connections Without Transfer Trip

Where the *connection point* to the *IESO-controlled grid* is sufficiently remote that transfer trip is impractical, either of the two options shown would be acceptable.

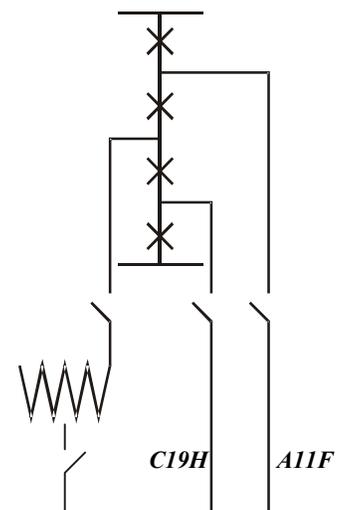
In Option 1, a line fault would initiate tripping of both breakers simultaneously, thereby addressing concerns about possible breaker failure if only a single breaker were used. This arrangement must include a motorized *disconnect* to provide ‘physical’ isolation of the new line from the *IESO-controlled grid*.

In Option 2, a line fault would initiate simultaneous operation of the single breaker and the circuit switcher. The integral *disconnect* switch of the circuit switcher would provide the required ‘physical’ isolation of the new line from the *IESO-controlled grid*.

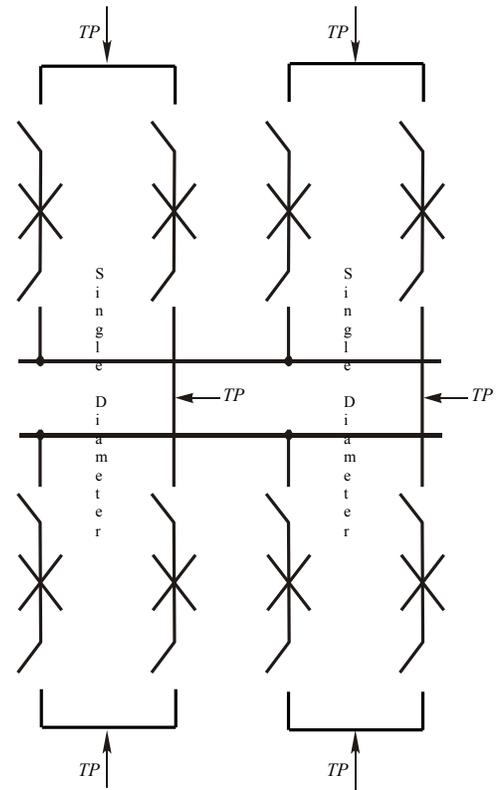
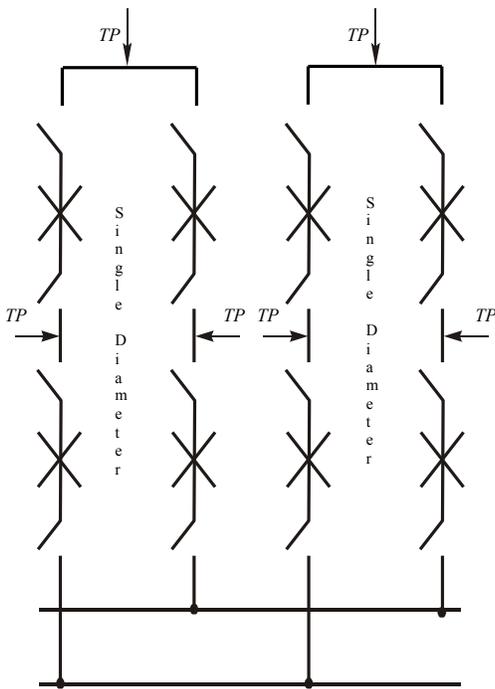


### B.4 Physical Station Layouts

The electrical single line diagram of a “breaker-and-a-third” arrangement is shown. Typical physical layouts for “breaker-and-a-third” follow.



*Typical Physical Arrangement for a Breaker-and-a-Third Layouts*



*TP = Termination Point for a transmission element such as a circuit, transformer, etc.*

*Overhead connections omitted for clarity*

**- End of Section -**



# Appendix C: Wind Farms Connection Requirements

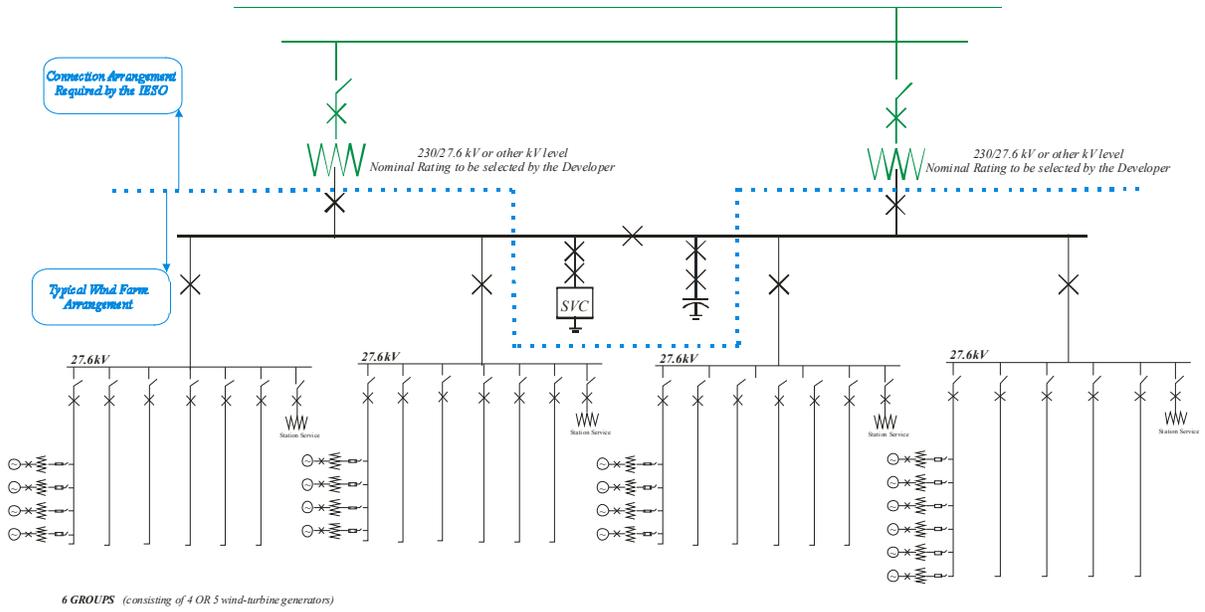
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The following is intended to clarify the requirements for connection to the *IESO-controlled grid* of wind-generation proposals which are aimed at ensuring that the *reliability* of the system is preserved. This short list does not relieve proponents from any *market rule* obligation. *Transmitter* and *distributor* requirements are separate and are not addressed herein.

The key factors that must be evaluated when performing a *connection assessment* of a wind farm are:

1. Equipment must be suitable for continuous operation in the applicable transmission voltage range specified in Appendix 4.1 of the "Market Rules". Equipment must also be able to withstand over-voltage conditions during the short period of time (not more than 30 minutes) it takes to return the power system to a secure state. Plant auxiliaries must not restrict *transmission system* operation.
2. Generating units do not trip for contingencies except those that remove generation by configuration. This requires adequate low and high voltage ride through capability. If generating units trip unnecessarily, they will require enhanced ride-through capability to prevent such tripping or the *IESO* may restrict operation to avoid these trips.
3. Recognized contingencies within the *wind-generation facility*, except for transmission breaker failures, must not trip the connecting transmission circuit(s).
4. Induction generators are required to have the reactive power capabilities described in Appendix 4.2 Reference 1 of the "Market Rules". Induction generating units injecting power into the *transmission system* are required to have the same reactive capabilities as synchronous units that have similar apparent power ratings. They are required to have the capability to inject at the *connection point* to the *IESO-controlled grid* approximately 43.6 MVar for every 90 MW of active power (0.9 power factor at the low voltage terminals of the *connection point*). The requirement to provide the entire range of reactive power for at least one constant transmission voltage limits the impedance of the connection between the generating units and the *transmission system* to about 13% impedance on the generator's rated output base. Generating units not injecting power into the *transmission systems* must be able to reduce reactive flow to zero at the point of connection and must have similar reactive capabilities as units connected to the *transmission system*. The *IESO* may require any reactive power deficiencies of *facilities* injecting into the *transmission system* to be corrected by reactive compensation devices.
  - For wind turbine technologies that have dynamic reactive power capabilities described in 4.2 Reference 1 of the "Market Rules", additional shunt capacitors may be required to offset the reactive power losses over the wind farm collection system that are in excess of those allowed by the "Market Rules".
  - For wind turbine technologies that do not have dynamic reactive power capabilities described in 4.2 Reference 1 of the "Market Rules", dynamic reactive compensation (static var compensator) equivalent to the "Market Rules" requirement must be installed. In addition, shunt capacitors may be required to offset the reactive power losses that are in excess of those allowed by the "Market Rules", over the wind farm collection system.

5. *Facilities* shall have the capability to regulate voltage as specified by the *IESO*. Operation in any other mode of *regulation* (e.g. power factor or reactive power control) shall be subject to *IESO* approval.
6. *Facilities* shall be installed to participate in any *special protection system* identified by the *IESO* during the CAA process. In most cases, this will be generation rejection and the associated telecommunication *facilities*.
7. Generating units will meet the voltage variation and frequency variation requirements described in Appendix 4.2 Reference 2 and Reference 3 of the "Market Rules".
8. Real-time monitoring must be provided to satisfy the requirements described in Appendix 4.15 and Appendix 4.19 of the "Market Rules".
9. *Revenue metering* must be provided to satisfy the Market Rule requirements. No commissioning power will be provided until the *revenue metering* installation is complete.
10. The *facility* does not increase the duty cycle of equipment such as load tap changing transformers or shunt capacitors beyond a level acceptable to the associated *transmitter* or *distributor*.
11. Line taps and step-up transformers connect to both circuits of a double-circuit-line (figure attached). The *facility* must be designed to balance the loading on both circuits of a double-circuit line.
12. Equipment must be designed so the adverse effects of failure on the *transmission system* are mitigated. This includes ensuring all transmission breakers fail in the open position.
13. Equipment must be designed so it will be fully operational in all reasonably foreseeable ambient conditions. This includes ensuring that certain types of breakers are equipped with heaters to prevent freezing.
14. The equipment must be designed to meet the applicable requirements of the OEB's "Transmission System Code" or the OEB's "Distribution System Code" in order to maintain the *reliability* of the grid. They include requirements identified by the *transmitter* for protection and telecommunication *facilities* and coordination with the exiting schemes. The protection systems for equipment connected to the *IESO-controlled grid* must be duplicated and supplied from separate batteries.
15. Disturbance monitoring equipment capable of recording the post-contingency performance of the *facility* must be installed. The quantities recorded, the sampling rate, the triggering method, and clock synchronization must be acceptable to the *IESO*.



Typical Configuration



# Appendix D: Synchronous Generation Connection Requirements

The following summarizes the requirements for connection to the *IESO-controlled grid* of single-cycle or combined-cycle generation proposals of medium to large size which are aimed at ensuring that the *reliability* of the system is preserved. This short list does not relieve proponents from any *market rule* obligation. This document may be used by *market participants* to help them understand *IESO* criteria and further their *connection assessment* work.

*Transmitter* and *distributor* requirements are separate and are not addressed herein. The Proponent is expected to follow other approvals processes to ensure the other aspects of *reliability* such as detailed equipment design, environmental considerations, power quality, and safety are properly addressed.

## Generating Unit Performance

### Excitation System

The requirements for exciters on *generation unit* rated at 10 MVA or higher are listed in Reference 12 of Appendix 4.2 in the "Market Rules" as follows:

- A voltage response time not longer than 50 ms for a voltage reference step change not to exceed 5%;
- A positive ceiling voltage of at least 200% of the rated field voltage, and
- A negative ceiling voltage of at least 140% of the rated field voltage.

In addition, the requirements for power system stabilizers (PSS) are described in Reference 15 of Appendix 4.2:

- Each synchronous generating unit that is equipped with an excitation system that meets the performance requirements described above shall also be equipped with a power system stabilizer. The power system stabilizer shall, to the extent practicable, be tuned to increase damping torque without reducing synchronizing torque.

### Governor

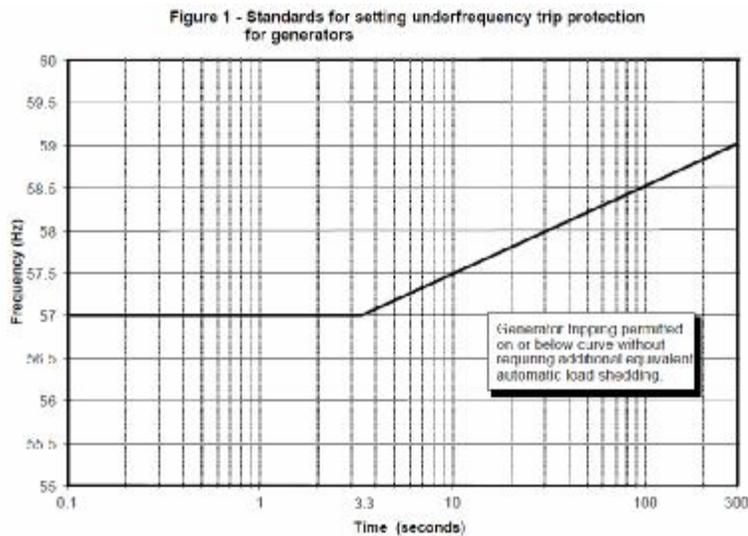
Reference #16 of Appendix 4.2 of the "Market Rules" requires that every synchronous generator unit with a name plate rating greater than 10 MVA or larger be operated with a speed governor, which shall have a permanent speed droop that can be set between 3% and 7% and the intentional dead band shall not be wider than  $\pm 36$  mHz.

### Automatic Voltage Regulator

Reference #13 of Appendix 4.2 of the "Market Rules" requires each synchronous generating unit to be equipped with a continuously acting *automatic voltage regulator (AVR)* that can maintain the terminal voltage under steady state conditions within  $\pm 0.5\%$  of any voltage set point. Each synchronous *generation unit* shall regulate voltage except where permitted by the *IESO*.

Generator Underfrequency Performance

Reference #3 of Appendix 4.2 of the "Market Rules" requires that generating *facilities* be capable of operating continuously at full power for a system frequency range between 59.4 to 60.6 Hz. In accordance with *NPCC* criteria A-03, "Emergency Operation Criteria", generators shall not trip for under-frequency system conditions for frequency variations that are above the curve shown below. However, if this cannot be achieved, and if approved by the *IESO*, then automatic load shedding equivalent to the amount of generation to be tripped must be provided in the area. This criterion is required to ensure the stability of an island, if formed, and to avoid major under-frequency load shedding in the area.



Generation Facility Connection Options

The *IESO*, in its review of the various generation projects that propose to connect to the *IESO*-controlled grid, has developed typical connection arrangements for generation developments. Variations to the typical connection arrangements may be accepted by the *IESO* provided that *reliability* criteria are met and that the *connection assessment* studies prove that the system is not adversely affected. Connection of *generation facilities* larger than 500 MW that propose to use arrangements that are typical for the developments under 500 MW may be accepted subject to *IESO* approval.

Generation Facilities Rated between 250 MW and 500 MW

All projects rated between 250 MW and 500 MW are required to connect to two circuits (where available) and as a minimum provide one of the connectivity arrangements shown in Figure 1, 2 or 3. Station arrangements that connect two like elements next to each other separated by only one breaker should be avoided.

The configurations shown in Figure 1 and Figure 2 are suitable for coupled gas and steam turbines pairs.

- A contingency associated with one of the transmission lines will be cleared at the terminal stations and by the breaker on the corresponding generator line tap. If the post-contingency rating of the remaining line permits, the *facility* can remain connected to one circuit.

- A bus-tie breaker failure condition will send transfer trip to the line tap breakers and the entire *facility* will be tripped off. If the *IESO's* assessment indicates that tripping the entire generating *facility* will have a negative impact on the system then the *IESO* will recommend alternative connection arrangements.
- For the configuration in Figure 1, a contingency associated with one of the step-up transformers or a generator unit will be cleared by opening the bus-tie breaker and the HV synchronizing breaker.
- The configuration in Figure 2 is more economical because it allows the connection of two units via one step-up transformer but is less reliable since a contingency associated with one step-up transformer results in the loss of two generating units.
- For an *outage* associated with one of the HV breakers the entire *generation facility* could remain connected unless limited by equipment ratings, voltage, or stability.

For the connectivity shown in Figure 3:

- A contingency associated with one of the transmission lines will be cleared at the terminal stations and the corresponding breakers in the ring bus. If the post-contingency rating of the remaining line permits, the *facility* can remain connected to one circuit.
- An HV breaker failure contingency could trip two generating units or a line and a generating unit. If *IESO's* assessment indicates that tripping two generating units will have a negative impact on the system then the *IESO* will require either additional breakers to be installed or the size of the development to be reduced to an acceptable level.
- For an *outage* associated with one of the HV breakers the entire *generation facility* could remain operational unless limited by equipment ratings, voltage, or stability.

In addition the *generation facilities* will have to comply with the OEB's "Transmission System Code" requirements and other protection system requirements established by the *transmitter*.

#### Generation Facilities Rated Above 500 MW

All projects rated above 500 MW are required to connect to at least two circuits and provide one of the connectivity arrangements shown in Figure 4 or Figure 5. Station arrangements that connect two like elements next to each other separated by only one breaker should be avoided.

The full switchyard arrangement shown in Figure 4 is required when large *generating facilities* propose to connect to a main transmission corridor of considerable length that *connects* two transmission stations.

The ring bus arrangement shown in Figure 5 is acceptable when the development is connecting to a radial double circuit line.

Typical Connection Arrangements  
for Generation Facilities Rated between 250MW and 500 MW

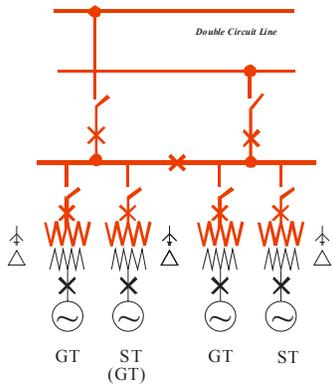


Figure 1 (Low Voltage Breakers are Optional)

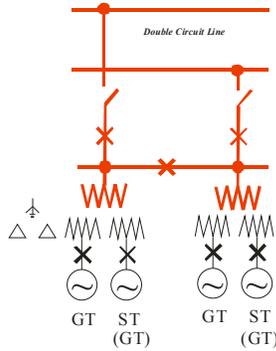


Figure 2

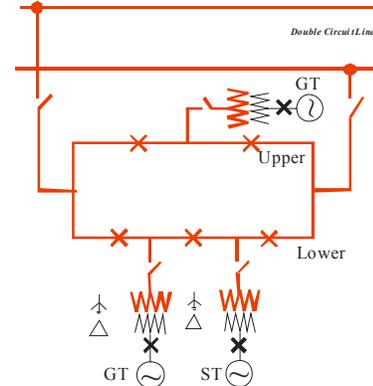


Figure 3

Typical Connection Arrangements  
for Generation Facilities Rated Higher than 500 MW

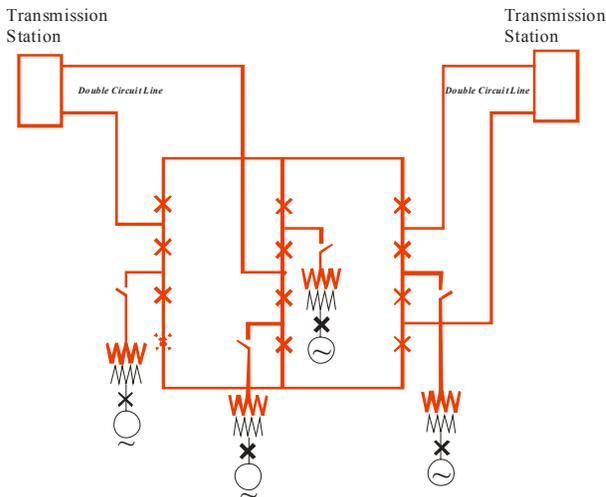


Figure 4

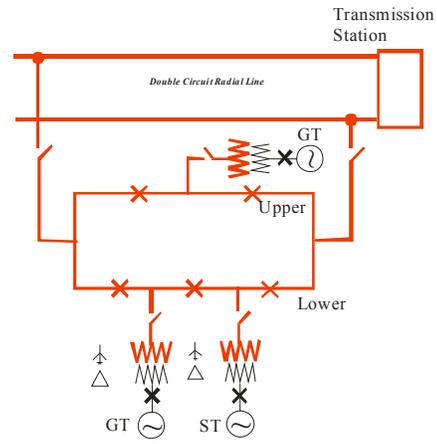


Figure 5

End of Section

## References

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<b>Document ID</b>	<b>Document Name</b>
NPCC A-01	Criteria for Review and Approval of Documents
NPCC A-02	Basic Criteria for Design and Operation of Interconnected Power Systems
NPCC A-04	Maintenance Criteria for Bulk Power System Protection
NPCC A-05	Bulk Power System Protection Criteria
NPCC A-11	Special Protection System Criteria
NPCC B-04	Guideline for NPCC AREA transmission Review
NPCC Criteria, Guides and Procedures can be found at <a href="http://www.npcc.org/document/abc.cfm">http://www.npcc.org/document/abc.cfm</a>	

– End of Document –

## DESCRIPTION OF THE PROPOSED FACILITIES

### 1.0 PROPOSED FACILITIES

The Hydro One proposed Supply to Essex County Transmission Reinforcement (“SECTR”) Project will contribute to meeting the capacity needs of the Windsor – Essex region as well as minimize the impact of supply interruptions to customers in the region.

Four 230 kV transmission circuits C21J, C22J, C23Z and C24Z are currently in this corridor. The SECTR Project proposes to build a new double-circuit 230 kV transmission line that will originate from the Hydro One transmission corridor between Chatham SS and Sandwich Junction. Two new circuits will tap into circuits C21J and C22J approximately 20 km east of Sandwich Junction and extend south 13 km, along a new transmission corridor, to the Municipality of Leamington where a new transformer station (Leamington TS) will be located.

A map indicating the geographic location and a schematic diagram of the proposed facilities are provided in **Exhibit B, Tab 2, Schedule 2** and **Exhibit B, Tab 2, Schedule 3**, respectively. Illustrations of the transmission towers along this corridor are provided in **Exhibit B, Tab 2, Schedule 4**. The IESO’s Draft System Impact Assessment (“SIA”) will be filed as **Exhibit B, Tab 6, Schedule 3** in February of 2014, and the Customer Impact Assessment (“CIA”), will be filed in **Exhibit B, Tab 6, Schedule 4** in March of 2014.

The proposed project is consistent with the transmission solution recommended by the OPA for addressing the needs in the Windsor – Essex region. The need for the proposed facilities is described in **Exhibit B, Tab 1, Schedules 4 and 5**.

1 This application is seeking OEB approval to allow for the reinforcement of Hydro One's  
2 transmission line facilities, with the following work:

- 3 • Construct approximately 13 km of new 230 kV double-circuit line on a new ROW  
4 between the new Leamington TS and new taps on 230 kV circuits C21J and C22J  
5 between Chatham TS and Sandwich Junction at a location approximately 20 km from  
6 Sandwich Junction;
- 7 • Installation of Optic Ground Wire (“OPGW”) on new and existing towers.

8  
9 The proposed facilities are subject to section 92 approval.

10  
11 In conjunction with this line work, Hydro One will also complete the following station  
12 work:

- 13 • Build a new 230/27.6 kV Leamington TS in the Municipality of Leamington.

14  
15 The new transmission line facilities and station work will address the near- and medium-  
16 term needs of the Windsor-Essex area, and are a major element in addressing longer-term  
17 needs in the region.

## 18 19 **2.0 DETAILS OF THE PROPOSED FACILITIES**

20  
21 The proposed facilities will be owned and operated by Hydro One. The following is the  
22 specific work and facilities required as part of the proposed project:

### 23 24 **Line Work**

- 25 • Build approximately 13 km of new 230 kV double-circuit line on a new ROW  
26 between the new Leamington TS and new taps on 230 kV circuits C21J and C22J  
27 between Chatham TS and Sandwich Junction at a location approximately 20 km from  
28 Sandwich Junction. The new circuits will tap from existing tower 225 on circuit

1 C21J and new tower 465b on circuit C22J. This tapping location will be known as  
2 Leamington Junction.

- 3 • Install OPGW on top of the new 230 kV towers serving Leamington TS as well as  
4 new OPGW on the existing C21J/C23Z towers (near Leamington Junction) to be used  
5 for tapping into the existing OPGW splice box.

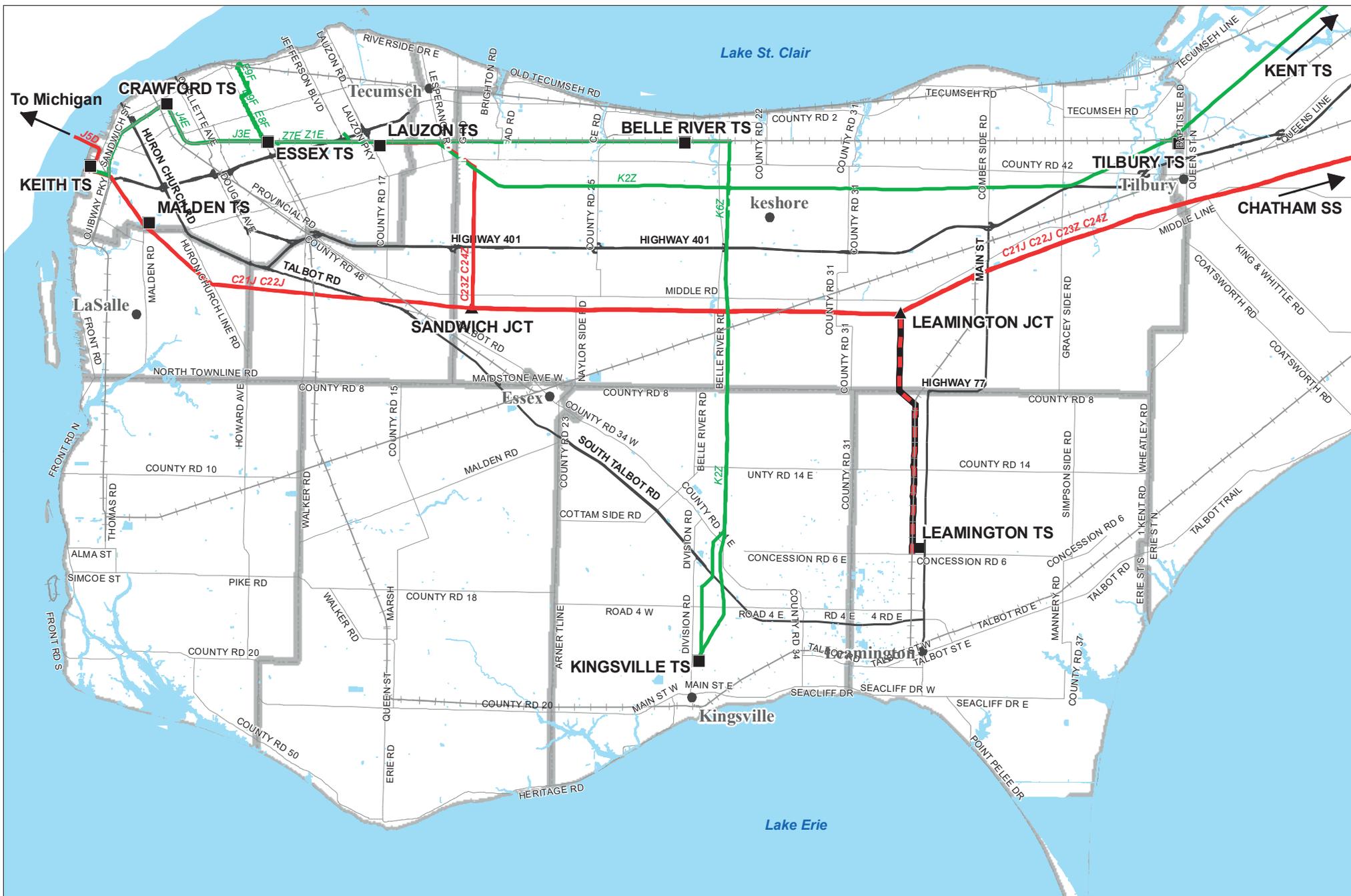
6  
7 **Station Work**

- 8 • Build a new Leamington TS near the NW corner of Hwy 77 and Mersea Road 6 in  
9 the Municipality of Leamington. The new station will consist of two 230/27.6 – 27.6  
10 kV 75/100/125 MVA step-down transformers and associated 27.6 kV switchgear and  
11 feeder positions.

12  
13 The planned in-service date for the proposed facilities is May 2016.

14  
15 Upon completion of this project, some load will be transferred from Kingsville TS to  
16 Leamington TS. The transfer of sufficient demand supplied from the 115 kV system in  
17 the Kingsville-Leamington subsystem to the 230 kV system in the Kingsville-  
18 Leamington area will address the reliability needs of the Windsor – Essex region as  
19 identified in **Exhibit B, Tab 1, Schedule 5**. As a result of this load transfer only one of  
20 the three end-of-life 115/27.6 kV 25/33/42 MVA transformers at Kingsville TS will be  
21 replaced using Hydro One's Sustainment program. The other two will be  
22 decommissioned and not replaced.

## **MAP OF PROPOSED FACILITIES**



Date: Nov 18, 2013 / Revised: Dec 6, 2013

Produced By: Inergi LP GIS Services  
Map13-114\_Windsor\_Essex\_ProposedFacilities

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- Transformer and Switching Stations
- 230 kV Existing Transmission Line
- 115 kV Existing Transmission Line
- Proposed 230kV Transmission Line

- ▲ Junction Stations
- Major Highways
- Roads
- Railway



Municipal Boundary



Water

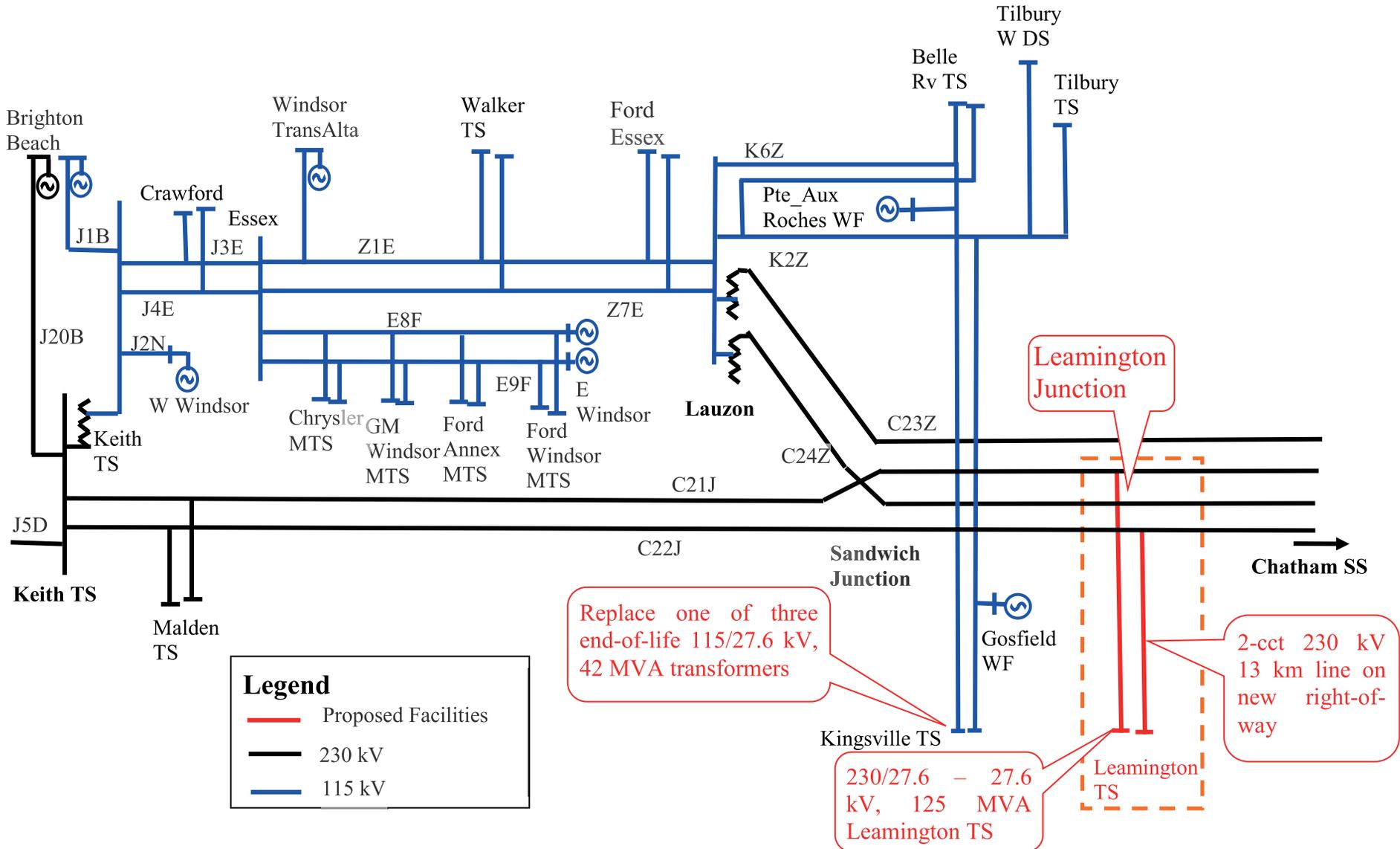
## Windsor Essex Area Proposed Facilities



1:250,000



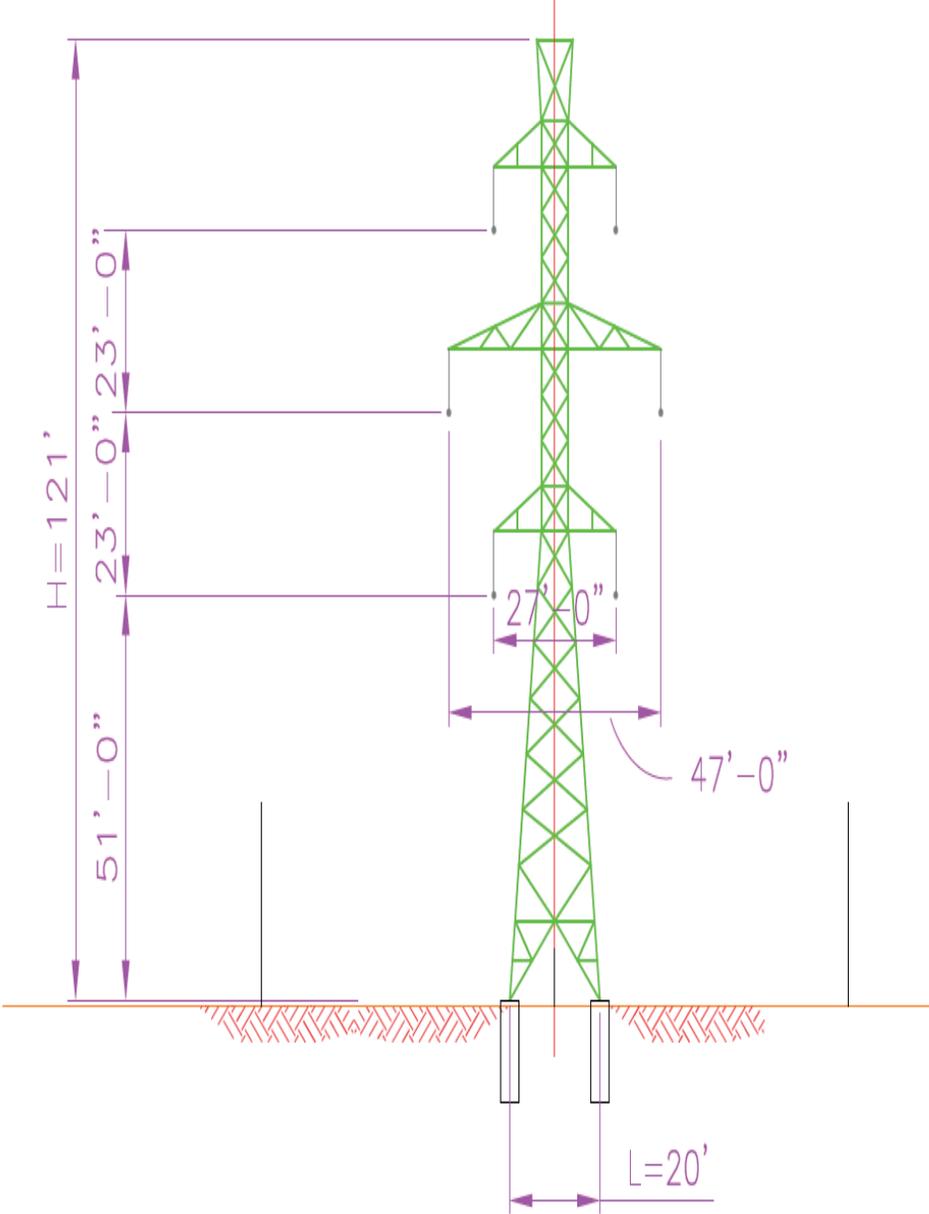
## SCHEMATIC DIAGRAM OF PROPOSED FACILITIES



1  
2

1  
2  
3

**CROSS SECTION OF THE TOWER TYPES - EXISTING AND PROPOSED**



5



1 **PROJECT COSTS, ECONOMICS, AND OTHER PUBLIC INTEREST**  
2 **CONSIDERATIONS**  
3

4 This set of exhibits describes the costs of the proposed facilities and the economics of the  
5 project including the economic feasibility, rate impacts, and benefits to Ontario electricity  
6 consumers. Other public interest considerations are also discussed.  
7

8 Under the *OEB Act, 1998*, “public interest” is defined to mean the interest of consumers  
9 with respect to price and the reliability and quality of electricity service, and where  
10 applicable in a manner consistent with the policies of the Government of Ontario, the  
11 promotion of the use of renewable energy sources. Consumers, as defined by the  
12 Transmission System Code, are persons using, for their own consumption, electricity that  
13 they did not generate and whose facilities are connected to a transmission system.

1 **PROJECT COSTS**

2  
3 The estimated capital cost of the Supply to Essex County Transmission Reinforcement  
4 (“SECTR”) Project, including overheads and capitalized interest is shown below:

5 **Table 1**  
6 **Cost of Line Work**

	<i>Estimated Cost</i>
	<i>(\$000's)</i>
9 Planning & Estimating	\$1,500
10 Line Protection Facilities	0
11 Property <sup>1</sup>	11,709
12 Project Management	630
13 Engineering	966
14 Procurement	9,736
15 Construction	9,724
16 Removals	2,268
17 Contingencies <sup>2</sup>	2,078
18 <b>Costs before Overhead and AFUDC</b>	<b>\$38,611</b>
19 Overhead <sup>3</sup>	1,286
20 Capitalized Interest <sup>4</sup>	5,390
21 <b>Total Line Work</b>	<b>\$45,287</b>

22  

---

<sup>1</sup> Property includes costs for temporary rights along the ROW.

<sup>2</sup> Contingencies also include contingency on removal costs of \$181K

<sup>3</sup> Overhead costs allocated to the project are for asset management and corporate services costs. These costs are charged to capital projects through a standard overhead capitalization rate. As such they are considered “Indirect Overheads”. Hydro One does not allocate any project activity to “Direct Overheads” but rather charges all other costs directly to the project.

<sup>4</sup> Capitalized interest is calculated using the Board’s approved interest rate methodology (EB-2006-0117) to the projects’ forecast monthly cash flow and carry-forward closing balance from the preceding month.

1 The cost of the line work provided above allows for the schedule of approval, design and  
2 construction activities provided in **Exhibit B, Tab 5, Schedule 2**.

3

4 The estimated cost of the new Leamington TS associated station work is \$32.1 million  
5 (please refer to **Exhibit B, Tab 2, Schedule 1** for a description of work).

6

## 7 **1.0 RISKS AND CONTINGENCIES**

8

9 As with most projects, there is some risk associated with estimating costs. Hydro One's  
10 cost estimate includes an allowance for contingencies in recognition of these risks.

11

12 Based on past experience, the estimate for this project work includes allowances in the  
13 contingencies to cover the following potential risks:

- 14 • Cancellation or delays in obtaining required power and telecommunications system  
15 outages (needed for the line upgrade work and commissioning activities);
- 16 • Construction equipment failures;
- 17 • Material delivery delay due to procurement or vendor issues;
- 18 • Activities or materials of a minor nature, not included in the estimate preparation;
- 19 • Labour hours deviating from the estimate.

20

21 Cost contingencies that have not been included, due to the unlikelihood or uncertainty of  
22 occurrence, include:

- 23 • Mitigation costs due to addressing any issues associated with having a Union Gas  
24 pipeline parallel to the new ROW;
- 25 • Labour disputes;
- 26 • Delays in obtaining regulatory approvals, permits and licences;
- 27 • Delays in property rights acquisitions;
- 28 • Safety or environmental incidents;

- 1 • Unexpected First Nations/Métis interests;
- 2 • Significant changes in costs of materials since the estimate preparation;

## 3

### 4 **2.0 COSTS OF COMPARABLE PROJECTS**

5

6 The OEB Filing Requirements for Electricity Transmission and Distribution Applications  
7 (EB-2006-0170), Chapter 4, requires the applicant to provide a cost comparable project  
8 constructed by the applicant. Table 2 below shows the cost, construction and technical  
9 comparison of the SECTR Project to the Hurontario Station and Transmission Line  
10 Reinforcement (“**HSTLR**”) Project (EB-2006-0215).

11

12 For the purpose of context, Hydro One recently (2010) placed in-service a new double-  
13 circuit 230 kV transmission line from Hurontario SS to Cardiff TS as part of the HSTLR  
14 Project. The HSTLR Project was chosen as a good “apples-to-apples” comparison to the  
15 SECTR Project because of its similar construction conditions and design. Both projects  
16 have a double-circuit 230 kV transmission line supplying a transmission station. Key  
17 project information on the two projects is provided in Table 2 below.

18

19 The total cost per km is based on the comparable costs of the two projects. The main  
20 drivers of the variance in comparable costs are:

- 21 • The Leamington Junction to Leamington TS ROW corridor is situated adjacent to a  
22 Union Gas pipeline which introduces some risk whereas the HSTLR project was  
23 already located on land designated for utility use with no pipeline adjacent to it. This  
24 results in higher construction costs for SECTR;
- 25 • The HSTLR Project costs were incurred over the 2007 to 2010 period as compared to  
26 SECTR Project costs which reflect costs for the period 2014 to 2016. Significant  
27 increases in material and equipment prices occurred over the intervening period;

- 1 • The SECTR Project includes as a contingency a cost of relocating 6.8 km of  
 2 distribution lines located in the ROW deemed as interference for the 230kV  
 3 transmission lines.

4

5 Note that the HSTRL Project did not require any acquisition of additional land or land  
 6 rights.

7

8

9

**Table 2**  
**Costs of Comparable Projects**

<b>Project</b>	<b>Supply To Essex Transmission Reinforcement Project (estimate)</b>	<b>Hurontario Stn. And Transmission Line Reinforcement Project (actual)</b>
Technical	230 kV double circuits on single structures  Generally install steel lattice tower structures	230 kV double circuits on single structures  Generally install steel lattice tower structures
Length (km)	13 km	4.2 km
Project Surroundings	Mostly urban agricultural, residential & commercial	Mostly rural & urban residential & commercial
Environmental Issues	None	None
In-Service Date	2016-05-31	2010-03-30
Total Project Cost	\$47,555k	\$10,002K
Less: Non-Comparable Costs		
Property <sup>1,2</sup>	\$13,752k	\$0k
Planning & Estimating <sup>1</sup>	\$1,500k	\$0k
Total Comparable Project Costs	\$32,303k	\$10,002k
Total Cost/km	\$2.5M/km	\$2.4M/km

10 <sup>1</sup> Associated contingency, overhead & capitalized interest are included

11 <sup>2</sup> SECTR requires acquisition of property rights whereas no property was purchased for HSTLR as it was  
 12 located on land designated for utility use already

## PROJECT ECONOMICS

### 1.0 ECONOMIC FEASIBILITY

The proposed transmission work for the Supply to Essex County Transmission Reinforcement (“SECTR”) Project comprises line assets and related station assets. The transformation assets, which include establishing a new Leamington TS will be included in the Transformation Connection Pool for rate-making purposes. The line assets, which include a new 230 kV double-circuit line between the new Leamington TS and new taps on 230 kV circuits between Chatham TS and Sandwich Junction, will be included in the Line Connection Pool. More details concerning the assignment of costs is provided in section 2.0 below.

See **Exhibit B, Tab 2, Schedule 1**, for detailed information on the proposed work. A Discounted Cash Flow (“DCF”) calculation has been completed for each pool consistent with the economic evaluation requirements of the Transmission System Code to determine whether a capital contribution is required. For the Line Connection Pool capital contributions totaling \$30.2 million, plus HST, are required and for the Transformation Connection Pool capital contributions totaling \$4.9 million, plus HST, are required.

<b><u>Capital Contribution Required</u></b> <i>in \$ millions, excluding HST</i>	Line Pool	Transformation Pool	Total
Hydro One Distribution	30.2	4.9	35.1
<b>Total</b>	<b>30.2</b>	<b>4.9</b>	<b>35.1</b>

As the sole transmission-connected customer in the project area, Hydro One Distribution is responsible for the capital contribution related to the project, as noted in the table

1 above. In order to help recover the capital contribution from other project beneficiaries  
2 within Hydro One's distribution system (i.e., embedded LDCs and commercial  
3 customers), Hydro One is proposing a methodology for the allocation of project costs  
4 among them, See **Exhibit B, Tab 4, Schedule 5** for the proposed methodology for  
5 allocation of customer-related project costs among distribution-system beneficiaries.

## 6 7 **2.0 COST RESPONSIBILITY**

### 8 9 Line Connection

10  
11 The line cost of the SECTR Project is \$45.3M. This includes the cost of building  
12 approximately 13 km of new 230 kV double-circuit line on a new right-of-way,  
13 installation of optic ground wire, providing connections to the new circuits and right-of-  
14 way acquisition.

### 15 16 Transformation Connection

17  
18 The transformation cost of the SECTR Project is \$32.1M. This includes the cost of  
19 establishing a new Leamington TS, providing the station with two 230/27.6 – 27.6 kV  
20 75/100/125 MVA step-down transformers, associated 27.6 kV switchgear and feeder  
21 positions and property acquisition.

### 22 23 Cost Allocation

24  
25 The OPA has determined that the SECTR Project will address both system needs and  
26 load customer needs. In accordance with the beneficiary pays principle, the OPA has  
27 recommended that load customers pay 77.5% of the SECTR cost (see **Exhibit B, Tab 4,**  
28 **Schedule 4** for more details). Since the realization of the system benefit is due to both

1 the line connection and transformation components of the SECTR Project it is  
2 recommended that 77.5% of the line connection cost of the project (77.5% of \$45.3M)  
3 and 77.5% of the transformation cost of the project (77.5% of \$32.1M) be assigned to the  
4 customer.

5  
6 With the establishment of Leamington TS sufficient load will be transferred from  
7 Kingsville TS to Leamington TS. This will reduce the need for the current four  
8 transformers at Kingsville TS to two transformers. Three of the transformers at  
9 Kingsville TS are at end-of-life with planned replacement in 2015 (under Hydro One  
10 Transmission's Sustainment program). With the planned load transfer to Leamington TS,  
11 only one of these three transformers will need to be replaced. The estimated cost to  
12 replace three transformers is \$18M, while the estimated cost to replace one transformer  
13 and reconfigure the station to a two-transformer station is \$12M. This represents a \$6M  
14 reduction in cost due to the SECTR Project. Given that 77.5% of the cost of SECTR is  
15 assigned to the customer, this same percentage of the savings due to SECTR is to be  
16 credited to the customer for economic evaluation purposes. Since the cost reduction is at  
17 the transformation level, the credit is to be given to the customer at the transformation  
18 pool. There would also be a net saving of OM&A costs from maintaining a two-  
19 transformer station rather a four-transformer station at Kingsville TS.

20  
21 The table below indicates the cost responsibility for the elements of work to be done on  
22 the project.

**Table 1 – DCF Analysis, Hydro One Distribution, Line Pool, page 1**

Date: 20-Jan-14 Project #: 17503		SUMMARY OF CONTRIBUTION CALCULATIONS Line Pool - Estimated cost											
Facility Name: Supply to Essex County Transmission Reinforcement													
Description: Line Pool Capital Contribution													
Customer: Hydro One Distribution													
Month Year	In-Service Date	Project year ended - annualized from In-Service Date											
		May-31 2016	May-31 2017	May-31 2018	May-31 2019	May-31 2020	May-31 2021	May-31 2022	May-31 2023	May-31 2024	May-31 2025	May-31 2026	May-31 2027
<b>Revenue &amp; Expense Forecast</b>													
	Load Forecast (MW)	46.7	49.8	51.0	52.2	53.5	54.7	55.9	57.2	58.5	59.7	61.0	62.3
	Tariff Applied (\$/kW/Month)	0.82	0.82	0.82	0.82	0.82	0.82	0.82	0.82	0.82	0.82	0.82	0.82
<b>Incremental Revenue - \$M</b>		0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6
	Removal Costs - \$M	(1.8)											
	On-going OM&A Costs - \$M	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
	Municipal Tax - \$M	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
<b>Net Revenue/(Costs) before taxes - \$M</b>		(1.8)	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4
	Income Taxes	0.5	0.2	0.4	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.1	0.1
<b>Operating Cash Flow (after taxes) - \$M</b>		(1.3)	0.5	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5
	Cumulative PV @ 5.84%												
<b>PV Operating Cash Flow (after taxes) - \$M</b>	(A)	6.2	(1.3)	0.4	0.6	0.6	0.5	0.5	0.4	0.4	0.4	0.3	0.3
<b>Capital Expenditures - \$M</b>													
	Upfront - capital cost before overheads & AFUDC	(29.6)											
	- Overheads	(2.7)											
	- AFUDC	(1.0)											
	Total upfront capital expenditures	(33.3)											
	On-going capital expenditures		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	PV On-going capital expenditures	0.0											
<b>Total capital expenditures - \$M</b>		(33.3)											
<b>Capital Expenditures - \$M</b>													
<b>PV CCA Residual Tax Shield - \$M</b>		0.1											
<b>PV Working Capital - \$M</b>		(0.0)											
<b>PV Capital (after taxes) - \$M</b>	(B)	(33.2)	(33.2)										
<b>Cumulative PV Cash Flow (after taxes) - \$M</b>	(A) + (B)	(27.1)	(34.5)	(34.1)	(33.4)	(32.9)	(32.3)	(31.8)	(31.4)	(31.0)	(30.6)	(30.3)	(30.0)
<b>Discounted Cash Flow Summary</b>													
<b>Economic Study Horizon - Years:</b>	25												
<b>Discount Rate - %</b>	5.84%												
	<b>Before Cont</b>		<b>After Cont</b>	<b>Impact</b>									
	\$M		\$M	\$M									
PV Incremental Revenue	7.9		7.9										
PV OM&A Costs	(2.0)		(2.0)										
PV Municipal Tax	(2.1)		(2.1)										
PV Income Taxes	(1.0)		(1.0)	0.0									
PV CCA Tax Shield	3.5		0.3	(3.2)									
PV Capital - Upfront	(33.3)		(33.3)										
<b>Add: PV Capital Contribution</b>	<b>0.0</b>	<b>(33.3)</b>	<b>30.2</b>	<b>(3.1)</b>	<b>30.2</b>								
PV Capital - On-going	0.0		0.0										
PV Working Capital	(0.0)		(0.0)										
PV Surplus / (Shortfall)	<b>(27.1)</b>		<b>(0.0)</b>	<b>27.1</b>									
<b>Profitability Index*</b>	<b>0.2</b>		<b>1.0</b>										
<b>Notes:</b>													
*PV of total cash flow, excluding net capital expenditure & on-going capital & proceeds on disposal / PV of net capital expenditure & on-going capital & proceeds on disposal													

**Table 1 – DCF Analysis, Hydro One Distribution, Line Pool, page 2**

Date: 20-Jan-14		SUMMARY OF CONTRIBUTION CALCULATIONS													
Project #: 17503		Line Pool - Estimated cost													
Facility Name: Supply to Essex County Transmission Reinforcement															
Description: Line Pool Capital Contribution															
Customer: Hydro One Distribution															
Month Year	In-Service Date	Project year ended - annualized from In-Service Date													
	May-31 2029	May-31 2030	May-31 2031	May-31 2032	May-31 2033	May-31 2034	May-31 2035	May-31 2036	May-31 2037	May-31 2038	May-31 2039	May-31 2040	May-31 2041		
		13	14	15	16	17	18	19	20	21	22	23	24	25	
<b>Revenue &amp; Expense Forecast</b>															
	Load Forecast (MW)	63.6	64.9	66.2	67.5	68.8	70.1	71.5	72.7	73.9	75.3	76.7	78.0	79.4	
	Tariff Applied (\$/kW/Month)	0.82	0.82	0.82	0.82	0.82	0.82	0.82	0.82	0.82	0.82	0.82	0.82	0.82	
	<b>Incremental Revenue - \$M</b>	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	
	Removal Costs - \$M														
	On-going OM&A Costs - \$M	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	
	Municipal Tax - \$M	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	
	<b>Net Revenue/(Costs) before taxes - \$M</b>	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	
	Income Taxes	0.1	0.0	0.0	0.0	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	
	<b>Operating Cash Flow (after taxes) - \$M</b>	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	
	<b>PV Operating Cash Flow (after taxes) - \$M (A)</b>	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	
<b>Capital Expenditures - \$M</b>															
	Upfront - capital cost before overheads & AFUDC														
	- Overheads														
	- AFUDC														
	Total upfront capital expenditures														
	On-going capital expenditures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
	PV On-going capital expenditure														
	<b>Total capital expenditures - \$M</b>														
	<b>Capital Expenditures - \$M</b>														
	<b>PV CCA Residual Tax Shield - \$M</b>														
	<b>PV Working Capital - \$M</b>														
	<b>PV Capital (after taxes) - \$M (B)</b>														
	<b>Cumulative PV Cash Flow (after taxes) - \$M (A) + (B)</b>	(29.2)	(28.9)	(28.7)	(28.5)	(28.3)	(28.1)	(27.9)	(27.8)	(27.6)	(27.5)	(27.3)	(27.2)	(27.1)	

1

2

**Table 2 – DCF Analysis, Hydro One Distribution, Transformation Pool, page 1**

Date: 20-Jan-14 Project #: 17503		SUMMARY OF CONTRIBUTION CALCULATIONS Transformation Pool - Estimated cost											
Facility Name: Supply to Essex County Transmission Reinforcement													
Description: Transformation Pool Capital Contribution													
Customer: Hydro One Distribution													
Month Year	In-Service Date	Project year ended - annualized from In-Service Date											
		May-31 2016	May-31 2017	May-31 2018	May-31 2019	May-31 2020	May-31 2021	May-31 2022	May-31 2023	May-31 2024	May-31 2025	May-31 2026	May-31 2027
<b>Revenue &amp; Expense Forecast</b>													
	Load Forecast (MW)	46.7	49.8	51.0	52.2	53.5	54.7	55.9	57.2	58.5	59.7	61.0	62.3
	Tariff Applied (\$/kW/Month)	1.98	1.98	1.98	1.98	1.98	1.98	1.98	1.98	1.98	1.98	1.98	1.98
<b>Incremental Revenue - \$M</b>		1.1	1.2	1.2	1.2	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.5
	Removal Costs - \$M	0.0											
	On-going OM&A Costs - \$M	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Municipal Tax - \$M		(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
<b>Net Revenue/(Costs) before taxes - \$M</b>		0.0	1.0	1.1	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.4	1.4
	Income Taxes	0.0	(0.1)	0.1	0.1	0.0	0.0	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)
<b>Operating Cash Flow (after taxes) - \$M</b>		0.0	1.0	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
	Cumulative PV @ 5.84%												
<b>PV Operating Cash Flow (after taxes) - \$M</b>	(A)	16.0	0.9	1.1	1.0	1.0	0.9	0.9	0.8	0.8	0.7	0.7	0.6
<b>Capital Expenditures - \$M</b>													
	Upfront - capital cost before overheads & AFUDC		(17.2)										
	- Overheads		(2.4)										
	- AFUDC		(0.7)										
	Total upfront capital expenditures		(20.2)										
	On-going capital expenditures		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	PV On-going capital expenditures		0.0										
	<b>Total capital expenditures - \$M</b>		(20.2)										
<b>Capital Expenditures - \$M</b>													
	PV CCA Residual Tax Shield - \$M		0.1										
	PV Working Capital - \$M		0.0										
<b>PV Capital (after taxes) - \$M</b>	(B)	(20.1)	(20.1)										
<b>Cumulative PV Cash Flow (after taxes) - \$M (A) + (B)</b>		(4.2)	(20.1)	(19.2)	(18.1)	(17.1)	(16.1)	(15.2)	(14.3)	(13.5)	(12.7)	(12.0)	(11.3)
<b>Discounted Cash Flow Summary</b>													
<b>Economic Study Horizon - Years:</b>	25												
<b>Discount Rate - %</b>	5.84%												
		<b>Before Cont</b>		<b>After Cont</b>		<b>Impact</b>							
		\$M		\$M		\$M							
	PV Incremental Revenue	19.0		19.0									
	PV OM&A Costs	0.0		0.0									
	PV Municipal Tax	(1.3)		(1.3)									
	PV Income Taxes	(4.7)		(4.7)									
	PV CCA Tax Shield	3.0		2.3		(0.7)							
	PV Capital - Upfront	(20.2)		(20.2)		4.9							
	<b>Add: PV Capital Contribution</b>	<b>0.0</b>	<b>(20.2)</b>	<b>4.9</b>	<b>(15.3)</b>	<b>4.9</b>							
	PV Capital - On-going	0.0		0.0									
	PV Working Capital	0.0		0.0									
	PV Surplus / (Shortfall)	(4.2)		(0.0)		4.2							
	Profitability Index*	0.8		1.0									
<b>Notes:</b>													
*PV of total cash flow, excluding net capital expenditure & on-going capital & proceeds on disposal / PV of net capital expenditure & on-going capital & proceeds on disposal													

**Table 2 – DCF Analysis, Hydro One Distribution, Transformation Pool, page 2**

Date: 20-Jan-14		SUMMARY OF CONTRIBUTION CALCULATIONS													
Project #: 17503		Transformation Pool - Estimated cost													
Facility Name:		Supply to Essex County Transmission Reinforcement													
Description:		Transformation Pool Capital Contribution													
Customer:		Hydro One Distribution													
Month Year	In-Service Date	Project year ended - annualized from In-Service Date													
	May-31 2029	May-31 2030	May-31 2031	May-31 2032	May-31 2033	May-31 2034	May-31 2035	May-31 2036	May-31 2037	May-31 2038	May-31 2039	May-31 2040	May-31 2041		
<b>Revenue &amp; Expense Forecast</b>															
	Load Forecast (MW)	63.6	64.9	66.2	67.5	68.8	70.1	71.5	72.7	73.9	75.3	76.7	78.0	79.4	
	Tariff Applied (\$/kW/Month)	1.98	1.98	1.98	1.98	1.98	1.98	1.98	1.98	1.98	1.98	1.98	1.98	1.98	
<b>Incremental Revenue - \$M</b>		1.5	1.5	1.6	1.6	1.6	1.7	1.7	1.7	1.8	1.8	1.8	1.9	1.9	
Removal Costs - \$M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
On-going OM&A Costs - \$M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Municipal Tax - \$M		(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	
<b>Net Revenue/(Costs) before taxes - \$M</b>		1.4	1.4	1.5	1.5	1.5	1.6	1.6	1.6	1.7	1.7	1.7	1.8	1.8	
Income Taxes		(0.2)	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	
<b>Operating Cash Flow (after taxes) - \$M</b>		1.2	1.2	1.2	1.2	1.2	1.3	1.3	1.3	1.3	1.3	1.3	1.4	1.4	
<b>PV Operating Cash Flow (after taxes) - \$M (A)</b>		0.6	0.6	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.3	
<b>Capital Expenditures - \$M</b>															
Upfront - capital cost before overheads & AFUDC															
- Overheads															
- AFUDC															
Total upfront capital expenditures															
On-going capital expenditures		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
PV On-going capital expenditure															
<b>Total capital expenditures - \$M</b>															
<b>Capital Expenditures - \$M</b>															
<b>PV CCA Residual Tax Shield - \$M</b>															
<b>PV Working Capital - \$M</b>															
<b>PV Capital (after taxes) - \$M (B)</b>															
<b>Cumulative PV Cash Flow (after taxes) - \$M (A) + (B)</b>		(9.5)	(8.9)	(8.4)	(7.9)	(7.4)	(6.9)	(6.5)	(6.0)	(5.6)	(5.2)	(4.9)	(4.5)	(4.2)	

1

2

**Table 3 – Revenue Requirement and Line Pool Rate Impact, page 1**

		Project YE											
		31-May 2017	31-May 2018	31-May 2019	31-May 2020	31-May 2021	31-May 2022	31-May 2023	31-May 2024	31-May 2025	31-May 2026	31-May 2027	31-May 2028
		1	2	3	4	5	6	7	8	9	10	11	12
<b>Supply to Essex County Transmission Reinforcement</b>													
<b>Calculation of Incremental Revenue Requirement (\$ millions)</b>													
In-service date	31-May-16												
Capital Cost	43.0												
Less: Capital Contribution Required	(30.2)												
Net Project Capital Cost	12.8												
Average Rate Base		6.3	12.5	12.3	12.2	12.0	11.8	11.6	11.5	11.3	11.1	10.9	10.7
Incremental OM&A Costs		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants in Lieu of Municipal tax		0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Depreciation		0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Interest and Return on Rate Base		0.4	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.7	0.7
Income Tax Provision		0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1
<b>REVENUE REQUIREMENT PRE-TAX</b>		<b>0.8</b>	<b>1.2</b>										
Incremental Revenue		0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6
<b>SUFFICIENCY/(DEFICIENCY)</b>		<b>-0.4</b>	<b>-0.7</b>	<b>-0.6</b>	<b>-0.6</b>	<b>-0.6</b>	<b>-0.6</b>						
Transformation Pool Revenue Requirement including sufficiency/(deficiency)	Base Year 189	190	191	191	191	191	191	191	191	191	191	191	191
Transformation GW	231	232	232	232	232	232	232	232	232	232	232	232	232
Transformation Pool Rate (\$/kw/month)	0.82	0.82	0.82	0.82	0.82	0.82	0.82	0.82	0.82	0.82	0.82	0.82	0.82
Increase/(Decrease) in Network Pool Rate (\$/kw/month), relative to base year		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>RATE IMPACT relative to base year</b>		<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Assumptions</b>													
Incremental OM&A		\$1.5 k per new km of line each year.											
Grants in Lieu of Municipal tax	0.47%	Transmission system average											
Depreciation	2.00%	Reflects 50 year average service life for towers, conductors and station equipment, excluding land											
Interest and Return on Rate Base	6.59%	Includes OEB-approved ROE of 9.36%, 2.11% on ST debt, and 4.94% on LT debt. 40/4/56 equity/ST debt/ LT debt split											
Income Tax Provision	26.50%	2014 federal and provincial corporate income tax rate											
Capital Cost Allowance	8%	100% Class 47 assets except for Land											

**Table 3 – Revenue Requirement and Line Pool Rate Impact, page 2**

<i>Supply to Essex County Transmission Reinforcement</i>		31-May 2029	31-May 2030	31-May 2031	31-May 2032	31-May 2033	31-May 2034	31-May 2035	31-May 2036	31-May 2037	31-May 2038	31-May 2039	31-May 2040	31-May 2041
<i>Calculation of Incremental Revenue Requirement (\$ millions)</i>		13	14	15	16	17	18	19	20	21	22	23	24	25
In-service date	31-May-16													
Capital Cost	43.0													
Less: Capital Contribution Required	(30.2)													
Net Project Capital Cost	12.8													
Average Rate Base		10.6	10.4	10.2	10.0	9.9	9.7	9.5	9.3	9.2	9.0	8.8	8.6	8.5
Incremental OM&A Costs		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants in Lieu of Municipal tax		0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Depreciation		0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Interest and Return on Rate Base		0.7	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Income Tax Provision		0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>REVENUE REQUIREMENT PRE-TAX</b>		<b>1.2</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>							
Incremental Revenue	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	
<b>SUFFICIENCY/(DEFICIENCY)</b>		<b>-0.6</b>	<b>-0.6</b>	<b>-0.5</b>	<b>-0.5</b>	<b>-0.5</b>	<b>-0.5</b>	<b>-0.5</b>	<b>-0.4</b>	<b>-0.4</b>	<b>-0.4</b>	<b>-0.4</b>	<b>-0.3</b>	<b>-0.3</b>
Transformation Pool Revenue Requirement including sufficiency/(deficiency)	Base Year 189	191	191	191	191	191	191	191	191	191	191	190	190	190
Transformation GW	231	232	232	232	232	232	232	232	232	232	232	232	232	232
Transformation Pool Rate (\$/kw/month)	0.82	0.82	0.82	0.82	0.82	0.82	0.82	0.82	0.82	0.82	0.82	0.82	0.82	0.82
Increase/(Decrease) in Network Pool Rate (\$/kw/month), relative to base year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>RATE IMPACT relative to base year</b>		<b>0.00%</b>												

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**Table 4 – Revenue Requirement and Transformation Pool Rate Impact, page 2**

<i>Supply to Essex County Transmission Reinforcement</i>	31-May 2029	31-May 2030	31-May 2031	31-May 2032	31-May 2033	31-May 2034	31-May 2035	31-May 2036	31-May 2037	31-May 2038	31-May 2039	31-May 2040	31-May 2041
<i>Calculation of Incremental Revenue Requirement (\$ millions)</i>	13	14	15	16	17	18	19	20	21	22	23	24	25
In-service date	31-May-16												
Capital Cost	32.1												
Less: Capital Contribution Required	(4.9)												
Net Project Capital Cost	27.2												
Average Rate Base	20.5	20.0	19.5	18.9	18.4	17.9	17.4	16.8	16.3	15.8	15.2	14.7	14.2
Incremental OM&A Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants in Lieu of Municipal tax	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Depreciation	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Interest and Return on Rate Base	1.4	1.3	1.3	1.2	1.2	1.2	1.1	1.1	1.1	1.0	1.0	1.0	0.9
Income Tax Provision	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3
<b>REVENUE REQUIREMENT PRE-TAX</b>	<b>2.2</b>	<b>2.2</b>	<b>2.2</b>	<b>2.2</b>	<b>2.1</b>	<b>2.1</b>	<b>2.1</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>1.9</b>	<b>1.9</b>
Incremental Revenue	1.5	1.5	1.6	1.6	1.6	1.7	1.7	1.7	1.8	1.8	1.8	1.9	1.9
<b>SUFFICIENCY/(DEFICIENCY)</b>	<b>-0.7</b>	<b>-0.7</b>	<b>-0.6</b>	<b>-0.5</b>	<b>-0.5</b>	<b>-0.4</b>	<b>-0.4</b>	<b>-0.3</b>	<b>-0.3</b>	<b>-0.2</b>	<b>-0.1</b>	<b>-0.1</b>	<b>0.0</b>
Transformation Pool Revenue Requirement including sufficiency/(deficiency)	393	395	395	395	395	395	395	395	395	395	395	394	394
Transformation GW	198	199	199	199	199	199	199	199	199	199	199	199	199
Transformation Pool Rate (\$/kw/month)	1.98	1.99	1.99	1.99	1.99	1.98	1.98	1.98	1.98	1.98	1.98	1.98	1.98
Increase/(Decrease) in Network Pool Rate (\$/kw/month), relative to base year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>RATE IMPACT relative to base year</b>	<b>0.51%</b>	<b>0.51%</b>	<b>0.51%</b>	<b>0.51%</b>	<b>0.51%</b>	<b>0.00%</b>							

1

2

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**Table 5 – Derivation of Load used in DCF, page 1**

		<i>PLI Adjusted Non-Coincident Peak Load Forecast for SECTR Project</i>													
		<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	
<b>Relevant SECTR Loads</b>															
Kingsville TS (with 2 transformers)	MW	54.0	54.0	54.0	54.0	54.0	54.0	54.0	54.0	54.0	54.0	54.0	54.0	54.0	
Leamington TS	MW	110.8	115.3	116.5	117.7	118.9	120.2	121.4	122.7	123.9	125.2	126.5	127.8	129.1	
Load sub-total	MW	164.8	169.3	170.5	171.7	172.9	174.2	175.4	176.7	177.9	179.2	180.5	181.8	183.1	
Current Capacity (Kingsville TS with 4 transformers)	MW	120	120	120	120	120	120	120	120	120	120	120	120	120	
Load in excess of capacity, calendar-year basis	MW	44.8	49.3	50.5	51.7	52.9	54.2	55.4	56.7	57.9	59.2	60.5	61.8	63.1	
Adjusted for in-service month															
Project Year*		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>		
		May 31, 2016 to May 30, 2017	May 31, 2017 to May 30, 2018	May 31, 2018 to May 30, 2019	May 31, 2019 to May 30, 2020	May 31, 2020 to May 30, 2021	May 31, 2021 to May 30, 2022	May 31, 2022 to May 30, 2023	May 31, 2023 to May 30, 2024	May 31, 2024 to May 30, 2025	May 31, 2025 to May 30, 2026	May 31, 2026 to May 30, 2027	May 31, 2027 to May 30, 2028		
Load in excess of capacity, project-year basis	MW	<b>46.7</b>	<b>49.8</b>	<b>51.0</b>	<b>52.2</b>	<b>53.5</b>	<b>54.7</b>	<b>55.9</b>	<b>57.2</b>	<b>58.5</b>	<b>59.7</b>	<b>61.0</b>	<b>62.3</b>		

Note:

\* Project-year load = 5/12 of current year load + 7/12 of previous calendar-year load, based on May 31, 2016 in-service date

2

1 **Table 5 – Derivation of Load used in DCF, page 2**

		<i>PLI Adjusted Non-Coincident Peak Load Forecast for SECTR Project</i>												
<b>Relevant SECTR Loads</b>		<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>	<b>2036</b>	<b>2037</b>	<b>2038</b>	<b>2039</b>	<b>2040</b>	<b>2041</b>
Kingsville TS (with 2 transformers)	MW	54.0	54.0	54.0	54.0	54.0	54.0	54.0	54.0	54.0	54.0	54.0	54.0	54.0
Leamington TS	MW	130.4	131.7	132.9	134.2	135.6	136.9	138.3	139.4	140.7	142.1	143.5	144.9	146.3
Load sub-total	MW	184.4	185.7	186.9	188.2	189.6	190.9	192.3	193.4	194.7	196.1	197.5	198.9	200.3
Current Capacity (Kingsville TS with 4 transformers)	MW	120	120	120	120	120	120	120	120	120	120	120	120	120
Load in excess of capacity, calendar-year basis	MW	64.4	65.7	66.9	68.2	69.6	70.9	72.3	73.4	74.7	76.1	77.5	78.9	80.3
Adjusted for in-service month														
Project Year*		<b>13</b>	<b>14</b>	<b>15</b>	<b>16</b>	<b>17</b>	<b>18</b>	<b>19</b>	<b>20</b>	<b>21</b>	<b>22</b>	<b>23</b>	<b>24</b>	<b>25</b>
		May 31, 2028 to May 30, 2029	May 31, 2029 to May 30, 2030	May 31, 2030 to May 30, 2031	May 31, 2031 to May 30, 2032	May 31, 2032 to May 30, 2033	May 31, 2033 to May 30, 2034	May 31, 2034 to May 30, 2035	May 31, 2035 to May 30, 2036	May 31, 2036 to May 30, 2037	May 31, 2037 to May 30, 2038	May 31, 2038 to May 30, 2039	May 31, 2039 to May 30, 2040	May 31, 2040 to May 30, 2041
Load in excess of capacity, project-year basis	MW	<b>63.6</b>	<b>64.9</b>	<b>66.2</b>	<b>67.5</b>	<b>68.8</b>	<b>70.1</b>	<b>71.5</b>	<b>72.7</b>	<b>73.9</b>	<b>75.3</b>	<b>76.7</b>	<b>78.0</b>	<b>79.4</b>

Note:  
 \* Project-year load = 5/12 of current year load + 7/12 of previous calendar-year load, based on May 31, 2016 in-service date

1

**Table 6 – DCF Assumptions**

**Hydro One Networks -- Transmission Connection Economic Evaluation Model  
 2014 Parameters and Assumptions**

**Transmission rates** are based on current OEB-approved uniform provincial transmission rates.

Monthly Rate (\$ per kW)	
Transformation	1.98
Line	0.82

**Grants in lieu of Municipal tax** (% of up-front capital expenditure, a proxy for property value):

0.47%

Based on Transmission system average

**Income taxes:**

Basic Federal Tax Rate -  
 % of taxable income:

2014 15.00%

Current rate

Ontario corporation income tax -  
 % of taxable income:

2014 11.50%

Current rate

**Capital Cost Allowance Rate:**

Class 47 costs

2014 8%

Current rate

**After-tax Discount rate:**

5.84%

Based on OEB-approved ROE of 9.36% on common equity and 2.11% on short-term debt, 4.94% forecast cost of long-term debt and 40/60 equity/debt split, and current enacted income tax rate of 26.5%

**Other Assumptions:**

**Estimated Incremental OM&A:**

Project specific (\$ k):

Overhead Line

\$1.5

per new km of line each year

2

1

<b>Cost Responsibility</b> <i>in \$ million, excluding HST</i>	Cost of Work (per B-4-2)	Cost Responsibility		Capital Contribution
		Customers	Pool	
<b>Transmission Line Facilities</b>	45.3 <sup>1</sup>	35.1	10.2	30.2
<b>Station Facilities</b>	32.1	20.2 <sup>2</sup>	11.9	4.9
<b>Total</b>	<b>77.4</b>	<b>55.3</b>	<b>22.1</b>	<b>35.1</b>

2

3 **2.1 Line Connection Pool**

4

5 A 25-year discounted cash flow analysis for the Line Connection facilities is provided in  
 6 Table 1 below. The results indicate that the forecast incremental revenues are expected  
 7 to be insufficient to pay for the incremental capital and operating costs and therefore a  
 8 capital contribution will be required. The capital contribution is estimated to be \$30.2  
 9 million for Hydro One Distribution, the sole transmission connected customer.

10

11 **2.2 Transformation Connection Pool**

12

13 A 25-year discounted cash flow analysis for the Transformation Connection facilities is  
 14 provided in Table 2 below. The results indicate that the forecast incremental revenues  
 15 are expected to be insufficient to pay for the incremental capital and operating costs and  
 16 therefore a capital contribution will be required. The capital contribution is estimated to  
 17 be \$4.9 million for Hydro One Distribution.

18

---

<sup>1</sup> Line costs of \$45.3 million include \$43.0 million of up front capital costs plus \$2.3 million removal costs  
<sup>2</sup> \$20.2 million = (\$32.1 million station facilities costs less \$6 million Kingsville cost reduction) x 77.5%

1 **3.0 RATE IMPACT ASSESSMENT**

2  
3 The analysis of the Line Connection Pool and Transformation Connection Pool rate  
4 impacts has been carried out on the basis of Hydro One's transmission revenue  
5 requirement for the year 2014, and the most recently approved Ontario Transmission  
6 Rate Schedules. As none of the costs are Network-pool-related, based on the criteria  
7 used to allocate transmission costs to the three pools as approved by the Board in its RP-  
8 1999-0044 decision, the Network Pool revenue requirement would be unaffected by the  
9 new facilities.

10  
11 Line Connection Pool

12 Based on the Line Connection Pool incremental cash flows associated with the net capital  
13 cost of the project, \$12.8 million (\$43.0 million gross cost less \$30.2 million capital  
14 contribution), there will be a change in the Line Connection pool revenue requirement  
15 once the project's impacts are reflected in the transmission rate base, net of capital  
16 contribution, at the projected May 2016 in-service date. Over a 25-year time horizon, the  
17 Line Connection Pool rate will remain flat at the current rate of \$0.82/kW/month. The  
18 maximum revenue deficiency related to the proposed line facilities will be \$0.7 million in  
19 the year 2018, which will result in a 0% (after rounding) rate impact in that year. The  
20 detailed analysis illustrating the calculation of the incremental line revenue deficiency  
21 and rate impact is provided in Table 3 below.

22  
23 Transformation Connection Pool

24 Based on the Transformation Connection Pool incremental cash flows associated with the  
25 net capital cost of the project, \$27.2 million (\$32.1 million gross cost less \$4.9 million  
26 capital contribution), there will be a change in the Transformation Connection Pool  
27 revenue requirement once the project's impacts are reflected in the transmission rate  
28 base, net of capital contribution, at the projected May 2016 in-service date. Over a 25-

1 year time horizon, the Transformation Connection Pool rate will initially rise by 1  
 2 cent/kw/month, from the current rate of \$1.98/kW/month to \$1.99/kW/month before  
 3 falling back to the current rate. The maximum revenue deficiency related to the proposed  
 4 transformation facilities will be \$1.1 million in the year 2018. This will result in a  
 5 maximum rate impact of 0.51% in that year. The detailed analysis illustrating the  
 6 calculation of the incremental transformation revenue deficiency and rate impact is  
 7 provided in Table 4 below.

8  
 9  
 10 Impact on Typical Residential Customer

11 Adding the costs of the new facilities to the respective pools will cause a slight increase  
 12 in a typical residential customer's rates. The table below shows this result for a typical  
 13 residential customer who is under the Regulated Price Plan ("RPP").

A. Typical monthly bill (Residential R1 in a high density zone at 1,000 kWh per month with winter commodity prices.)	\$182.98 per month
B. Transmission component of monthly bill	\$14.04 per month
C. Line and Transformation Pool share of Transmission component	\$5.83 per month
D. Impact on Line and Transformation Pool Provincial Uniform Rates (Tables 3 and 4. Combined Impact of Line 0.00% and Transformation 0.51%)	0.37%
E. Increase in Transmission costs for typical monthly bill (C x D)	\$0.02 per month or \$0.26 per year
F. Net increase on typical residential customer bill (E / A)	0.01%

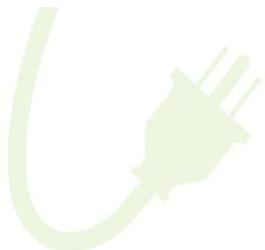
15 *Note: Values rounded to two significant digits.*

**OPA COST RESPONSIBILITY EVIDENCE**

Recommended  
Cost Allocation Treatment  
for the Supply to Essex  
County Transmission  
Reinforcement

Ontario Power Authority

January, 2014



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3.1	Reliability Needs/Additional Constraints in the Windsor-Essex Area and Associated Beneficiaries..	4
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1 **1 Executive Summary**

2 As described in Exhibit B, Tab 1, Schedule 5, the most cost-effective solution for addressing the  
3 reliability needs of the Windsor-Essex area is an integrated solution which includes the  
4 construction of the Supply to Essex County Transmission Reinforcement (“SECTR”) project.  
5 The SECTR project involves the construction of transmitter-owned connection facilities that will  
6 benefit both local load customers and the system more broadly.

7 The specific purpose of this evidence is to identify the benefits that the SECTR project will  
8 deliver to load customers and the broader system, and to propose an appropriate apportionment  
9 of the costs for the project between load customers and transmission ratepayers. The proposed  
10 apportionment is consistent with the Board’s beneficiary pays principle.

11 It is the OPA’s view that the most appropriate way to apportion the costs of the SECTR project  
12 between load customers and transmission ratepayers based on the Board’s beneficiary pays  
13 principle, is to apportion the total cost by reference to the costs that load customers and  
14 transmission ratepayers would otherwise have to pay if they were to individually address  
15 customer and system needs, rather than addressing them through the proposed integrated  
16 solution. The proposed cost allocation methodology is described in more detail in Section 4  
17 below.

18 **2 Introduction and Purpose**

19 On October 18, 2012, the Ontario Energy Board (“Board”) issued its *Report of the Board –*  
20 *A Renewed Regulatory Framework for Electricity Distributors: A Performance Based Approach*  
21 (the “RRFE report”). In the RRFE report, the Board concludes that a reconsideration of cost  
22 responsibility rules prescribed by the Transmission System Code (“TSC”) is desirable to  
23 facilitate the effective implementation of regional planning initiatives. Specifically, in the RRFE  
24 report, the Board endorses “... a shift in emphasis away from the ‘trigger’ pays principle to the  
25 ‘beneficiary’ pays principle.”<sup>1</sup> The OPA agrees with the Board’s proposed shift to a beneficiary

<sup>1</sup> RRFE report, page 43.

1 pays approach, which the OPA believes will encourage more cost effective electricity system  
2 planning decisions.

3 On August 26, 2013 the Board issued its *Notice of Amendments to Codes* which, among other  
4 things, proposed the elimination of Section 6.3.6 (the “otherwise planned” provision) in the TSC  
5 and its replacement with new Sections 6.3.8A, 6.3.8B and 6.3.8C.<sup>2</sup> These proposed amendments  
6 reflect the shift to a beneficiary pays approach to regional planning. Under the proposed new  
7 Sections 6.3.8A, 6.3.8B and 6.3.8C, the transmitter shall not require customer(s) to make a  
8 capital contribution in relation to the modification of transmitter-owned connection facilities  
9 when an assessment<sup>3</sup> undertaken at the request of the transmitter, determines that the  
10 construction or modification of transmitter-owned connection facilities that exceed the capacity  
11 needs of the triggering load customer(s) is a more cost effective means of meeting reliability  
12 needs in the area than the construction or modification of the transmitter’s network facilities, or  
13 the construction or modification of the transmitter’s network facilities in combination with the  
14 construction or modification of transmitter-owned connection facilities. In such cases, the  
15 transmitter is to attribute to the load customer(s) only the cost of constructing or modifying  
16 transmitter-owned connection facilities to the extent required to meet the needs of the load  
17 customer(s).

18 The purpose of this evidence is to provide an assessment of the appropriate apportionment of the  
19 costs associated with the recommended investments in transmitter-owned connection facilities in  
20 the Windsor-Essex area consistent with the Board’s proposed change from a ‘trigger’ pays to  
21 ‘beneficiary’ pays approach and proposed amendments to the TSC. This evidence identifies the

<sup>2</sup> At

[http://www.rds.ontarioenergyboard.ca/webdrawer/webdrawer.dll/webdrawer/rec/407265/view/Notice\\_Amend%20TSC%20and%20DSC\\_regional%20infrastructure%20planning\\_20130826.PDF](http://www.rds.ontarioenergyboard.ca/webdrawer/webdrawer.dll/webdrawer/rec/407265/view/Notice_Amend%20TSC%20and%20DSC_regional%20infrastructure%20planning_20130826.PDF).

<sup>3</sup> While the Board’s proposed amendments suggest that the Independent Electricity System Operator (“IESO”) is the appropriate party to undertake such an assessment, it is the view of the IESO and the OPA that the OPA is the most appropriate party to undertake an assessment of this type, as noted in the submissions of both parties to the Board on the proposed code amendments. The OPA routinely undertakes independent assessments of the alternatives to address a given power system need, including a comparison of the cost effectiveness of different options. In its EB-2011-0043 submission dated September 9, 2013, the OPA indicated that it would benefit from the input of the IESO regarding reliability considerations in completing these assessments. Accordingly, this cost responsibility evidence has been prepared by the OPA, in consultation with the IESO.

1 customer and broader system benefits associated with the SECTR project, and recommends an  
2 appropriate apportionment of costs between benefiting load customers and transmission  
3 ratepayers.

4 This evidence is premised upon Exhibit B, Tab 1, Schedule 5, wherein the OPA explains why an  
5 integrated solution including the construction of the SECTR project is the most cost effective  
6 means of addressing customer and system reliability needs and other constraints in the Windsor-  
7 Essex area.

### 8 **3 Assessment of Transmission Options for Meeting the Reliability and Other** 9 **Needs of the Windsor-Essex Area**

10 The following section summarizes the reliability needs and other constraints of the Windsor-  
11 Essex area, as well as the recommended transmission reinforcement to address these needs and  
12 constraints, as described in Exhibit B, Tab 1, Schedule 5.

#### 13 **3.1 Reliability Needs/Additional Constraints in the Windsor-Essex Area and Associated** 14 **Beneficiaries**

15 There are two near-term reliability needs in the Windsor-Essex area: (i) additional supply  
16 capacity is required to accommodate growth in electricity demand in the Kingsville-Leamington  
17 subsystem, and (ii) improvements are needed to minimize the impact of supply interruptions to  
18 customers in the broader J3E-J4E subsystem following a major 230 kV transmission outage.<sup>4</sup>

19 In addition, there are two further constraints in the Windsor-Essex area that would be beneficial  
20 to address: (i) reducing limitations on the operation of generation at Brighton Beach Power  
21 Station (“Brighton Beach GS”); and (ii) enabling the connection of additional distributed  
22 generation in the Kingsville/Leamington area.<sup>5</sup>

23 Two of these needs/constraints are system related and addressing them will benefit transmission  
24 ratepayers. Those needs/constraints are: (i) the need to minimize the impact of supply  
25 interruptions to customers, and (ii) the benefit of relieving limitations to the operation of

<sup>4</sup> See Exhibit B, Tab 1, Schedule 5, Section 5.1 and 5.2.

<sup>5</sup> See Exhibit B, Tab 1, Schedule 5, Section 5.3.

1 Brighton Beach GS. Table 1 below provides a summary of the needs/constraints of the Windsor-  
 2 Essex area, and identifies the beneficiaries of investments to address these limitations.

3 **Table 1: Windsor-Essex Area Reliability Needs/Additional Constraints and Benefitting**  
 4 **Parties**

	<b>Need/Benefit</b>	<b>Subsystem</b>	<b>Beneficiary</b>
<b>Broader System Benefits</b>	Need to Minimize the Impact of Supply Interruptions	J3E-J4E Subsystem	Most Transmission Ratepayers in the Windsor-Essex Area
	Benefit of Reducing Limitations on the Operation of Brighton Beach GS	Windsor-Essex Area	All Ontario Ratepayers
<b>Customer Benefits</b>	Need for Additional Capacity to Meet Electricity Demand	Kingsville-Leamington Subsystem	Load Customers
	Benefit of Enabling the Connection of Additional Distributed Generation in the Kingsville/Leamington Area	Kingsville-Leamington Subsystem	Local Generation Developers

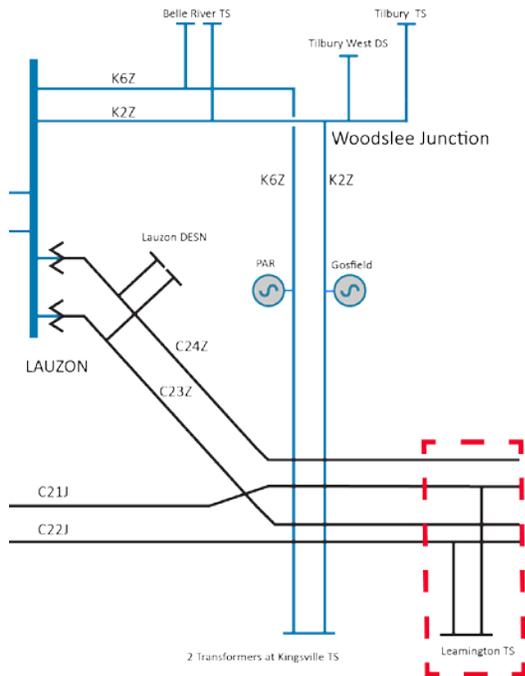
5 Source: OPA

6 **3.2 Recommended Transmission Reinforcement**

7 As shown in Exhibit B, Tab 1, Schedule 5, the most cost-effective solution for addressing  
 8 customer and system reliability needs in the Windsor-Essex area is an integrated solution  
 9 comprised of conservation and demand management, distributed generation, and transmission  
 10 investments, including the construction of the SECTR project. The SECTR project consists of a  
 11 new 230 kV Leamington transformer station (“TS”) and an associated 13 km double-circuit  
 12 230 kV transmission line at a total cost of approximately \$77.4 million.<sup>6</sup> These transmission  
 13 facilities are shown in Figure 1 below.

<sup>6</sup> As noted in Exhibit B, Tab 1, Schedule 5, Section 6.3, investments to replace end-of-life transmission facilities in the Windsor-Essex area are also planned — i.e., a like-for-like replacement of the two autotransformers at Keith TS which are reaching end-of-life (\$24.7 million) and replacing one of the three transformers which are approaching end-of-life at Kingsville TS (\$12 million).

1 **Figure 1: SECTR Project**



2  
3 Source: OPA

4 Other transmission alternatives, such as network-facility investments in new 230/115 kV  
5 autotransformers were considered, but found to be less cost effective than the recommended  
6 SECTR project.<sup>7</sup>

7 **4 Recommended Cost Allocation Treatment**

8 It is the OPA’s view that the most appropriate way to apportion costs between load customers  
9 and transmission ratepayers in accordance with the Board’s beneficiary pays principle is to  
10 apportion the cost of the SECTR project by reference to the costs that load customers and  
11 ratepayers would have to pay were customer and system needs to be individually addressed,  
12 rather than addressed through the proposed integrated SECTR project.

13 In this regard, if the broader system restoration needs and limitations on the operation of  
14 Brighton Beach GS were to be individually addressed, the following transmission upgrades  
15 would be required, at a total cost of approximately \$22.5 million:

<sup>7</sup> See Exhibit B, Tab 1, Schedule 5, Section 6.3.1.

- 1 • upgrading the J3E/J4E circuits from Keith TS to Essex TS to 1,600 amps (\$15.5 million);
- 2 • installing 50 MVar of reactive support in the Windsor-Essex area (\$5 million); and
- 3 • replacing the end-of-life autotransformers at Keith TS with 250 MVA units, rather than a
- 4 like-for-like replacement with 125 MVA units (incremental cost of \$2 million).

5 Likewise, if load customers in the Windsor-Essex area were to individually address the supply  
6 capacity needs of the Kingsville-Leamington subsystem they would be required to implement the  
7 SECTR project — a new 230 kV Leamington TS and an associated 13 km double-circuit 230 kV  
8 transmission line — at a total cost of approximately \$77.4 million. This would also provide  
9 opportunities for additional distributed generation connections in the area. The total cost  
10 therefore of individually addressing system and customer needs in the Windsor-Essex area is  
11 approximately \$99.9 million.

12 By comparison, the proposed integrated SECTR project will address both load customer and  
13 system needs/constraints at a reduced cost of approximately \$77.4 million (i.e., \$22.5 million  
14 less than the combined individual solutions). That is because the SECTR project, — by  
15 providing for an alternate source of supply in the Windsor-Essex the area — avoids the need for,  
16 and associated cost of, upgrading the J3E/J4E circuits, installing reactive support, and increasing  
17 the size of the Keith autotransformers.

18 In accordance with the beneficiary pays principle, the OPA proposes that the SECTR project  
19 costs should be allocated in proportion to what load customers and transmission ratepayers  
20 would respectively have had to contribute towards the combined cost of individual solutions.  
21 Under this proposed allocation, approximately 77.5% of the SECTR costs would be paid for by  
22 local load customers (\$77.4 million/\$99.9 million) and approximately 22.5% by transmission  
23 ratepayers (\$22.5 million/\$99.9 million). This, in the OPA's view, is a fair method of allocating  
24 the total project costs based on the beneficiary pays principle, as both load customers and  
25 transmission ratepayers realize cost savings.

26 This methodology demonstrates the benefit that load customers and transmission ratepayers  
27 receive through a regional planning process that focuses on the most cost-effective integrated  
28 solution for addressing customer and system needs. In this respect, both load customers and  
29 transmission ratepayers save by addressing their respective needs through an integrated solution,  
30 the SECTR project, rather than individually.

1           **PROPOSED COST ALLOCATION METHODOLOGY AT THE**  
2           **DISTRIBUTION LEVEL FOR UPSTREAM TRANSMISSION**  
3           **INVESTMENTS**

4  
5  
6           **1.0 INTRODUCTION**

7  
8           The construction of the new transformer station and associated transmission line in the  
9           Windsor-Essex area will require capital contributions from benefiting customers,  
10          consistent with the Ontario Energy Board's "beneficiary pays" principle. Based on the  
11          Ontario Power Authority's ("OPA") assessment, provided in **Exhibit B, Tab 4,**  
12          **Schedule 4**, that certain system benefits will result from this investment, only that portion  
13          of the total investment cost associated with customer benefits, as opposed to system  
14          benefits, will be attributed to connecting customers.<sup>1</sup>

15  
16          As the sole transmission-connected customer in this case, Hydro One Distribution will be  
17          required under the Transmission System Code<sup>2</sup> ("TSC") to provide a capital contribution,  
18          net of incremental revenues less incremental operating costs, to Hydro One Transmission  
19          towards the cost of the new transmission connection facilities. In accordance with section  
20          6.3.1 of the TSC, Hydro One Transmission has determined the required capital  
21          contribution by performing an economic evaluation using the methodology set out in  
22          Appendix 5 of the TSC (see **Exhibit B, Tab 4, Schedule 3**).

---

<sup>1</sup> Certain costs associated with the end-of-life transformer replacement work at Kingsville TS that are avoided as a result of the SECTR project would also qualify as system benefit costs.

<sup>2</sup> The Ontario Energy Board's (the "Board") *Transmission System Code ("TSC")*, dated June 10, 2010, along with Appendix 5 of the TSC, and the Board's *Notice of Amendments to Codes – Amendments to the Transmission System Code and the Distribution System Code*, dated August 26, 2013, are attached as Attachment 1.

1    **2.0    UPSTREAM TRANSMISSION COST ALLOCATION**

2  
3    The capital contribution required to be paid to Hydro One Transmission represents an  
4    upstream transmission cost to the project beneficiaries at the distribution level. To ensure  
5    a fair allocation of this upstream cost, Hydro One Distribution takes guidance from the  
6    relevant provisions of the TSC. Hydro One Distribution will perform economic  
7    evaluations based on the methodology set out in Appendix 5 of the TSC to allocate, at the  
8    distribution level, portions of this capital contribution to all distributors operating in  
9    Hydro One Distribution’s service area (including Hydro One Distribution itself) that  
10   benefit from the project, based on each distributor’s load forecast.

11  
12   For purposes of these economic evaluations, Hydro One Distribution will attribute a  
13   portion of the project cost to each distributor in proportion to that distributor’s non-  
14   coincident incremental peak load requirements, consistent with section 6.3.15 of the TSC.  
15   The results of these economic evaluations, which take into consideration the expected  
16   transmission revenues that will be generated according to each distributor’s load forecast,  
17   will form the basis for the apportionment.

18  
19   In turn, each distributor will need to further apportion its share of the capital contribution  
20   within its own service area. Each distributor will perform an economic evaluation for  
21   each of its customers in the General Service, Sub-Transmission or equivalent rate class  
22   that requests a new or expanded connection (“**new large customer**”). The distributor will  
23   also perform an additional economic evaluation for its ratepayers generally. The results  
24   of these economic evaluations, performed based on the methodology set out in Appendix  
25   5 of the TSC, will determine the proportion of the capital contribution that each new large  
26   customer and ratepayers of that distributor will be required to pay.

1   **2.1   Benefiting Customers**

2  
3   The following distributors will benefit from the Supply to Essex County Transmission  
4   Reinforcement (“SECTR”) project, as proposed in **Exhibit B, Tab 2, Schedule 1**, and  
5   are expected to make a capital contribution towards the transmission investment, subject  
6   to an economic evaluation:

- 7  
8   •   Hydro One Distribution  
9   •   Essex Powerlines Corporation  
10  •   E.L.K. Energy Inc.  
11  •   Entegrus Powerlines Inc.

12  
13  The distributors listed above who are customers of Hydro One Distribution will be  
14  required to provide a 25-year load forecast and a security deposit to Hydro One  
15  Distribution, and to also execute a Capital Cost Recovery Agreement with Hydro One  
16  Distribution prior to the commencement of construction of the new transmission  
17  connection facilities.

18  
19  The new large customers<sup>3</sup> of each of the four distributors listed above will also be  
20  required to make a capital contribution towards the transmission investment through their  
21  respective distributors. These customers will also be required to provide a 25-year load  
22  forecast and a security deposit, and to execute a Capital Cost Recovery Agreement with  
23  their respective distributors prior to the commencement of construction of the new  
24  transmission connection facilities.

---

<sup>3</sup> For clarity, ‘new large customers’ include members of the *Ontario Greenhouse Vegetable Growers Association*.

1 **2.2 Economic Evaluation True-ups**

2  
3 Hydro One Distribution will perform true-ups on all capital contributions collected from  
4 distributors in relation to this project, based on the approach set out in sections 6.5.3–  
5 6.5.11 of the TSC. These true-ups will apply the same methodology as was used to carry  
6 out the initial economic evaluation (discussed in section 2.0 above), and the same inputs  
7 except for load, which will be based on the actual load up to the true-up point and on an  
8 updated load forecast for the remainder of the economic evaluation period.

9  
10 For consistency with the treatment of the overall capital contribution payable by Hydro  
11 One Distribution to Hydro One Transmission, an economic horizon of 25 years will be  
12 used, with true-up points (consistent with TSC provisions) at the end of each of the fifth  
13 and tenth years of operation, and at the end of the fifteenth year of operation if actual load  
14 is twenty percent higher or lower than the initial load forecast at the end of the tenth year  
15 of operation. Where the true-up shows that the distributor's actual load and updated load  
16 forecast is lower than the load in the initial load forecast, the distributor will be required  
17 to make a payment to make up the shortfall, adjusted appropriately to reflect the time  
18 value of money. Where the true-up shows that the actual load and updated load forecast is  
19 higher than the load in the initial load forecast, the excess revenue will be posted as a  
20 credit to the distributor in a notional account. Any credit balance remaining in the  
21 notional account after the last true-up will be rebated to the distributor, adjusted to reflect  
22 the time value of money.

23  
24 Each distributor (including Hydro One Distribution) will, in turn, perform true-ups on all  
25 capital contributions collected from new large customers and ratepayers in similar  
26 fashion.

1    **2.3    Unforecasted Capacity Assignments**

2  
3    Hydro One Distribution will provide a refund on a capital contribution collected at the  
4    distribution level from a distributor in relation to this project in situations where capacity  
5    from the new transmission connection facilities is assigned to another distributor with a  
6    previously unforecasted capacity requirement. The refund methodology will be based on  
7    the approach set out in sections 6.3.17 and 6.3.17A of the TSC. The approach involves  
8    providing a refund to a customer where excess capacity on a new facility is assigned to  
9    another customer within fifteen years after the date on which the facility comes into  
10   service. Hydro One Distribution will collect a capital contribution from the subsequent  
11   customer to cover the amount of the refund. Hydro One Distribution will determine the  
12   amount of the refund to the initial customer by calculating a revised capital contribution  
13   amount using the economic evaluation methodology set out in Appendix 5 of the TSC.

14  
15   Distributors (including Hydro One Distribution) will provide refunds on capital  
16   contributions collected from new large customers and ratepayers in similar fashion.

17  
18    **2.4    Load vs. Generation**

19  
20   As noted in the OPA's assessment of need for this area in **Exhibit B, Tab 1, Schedule 5**,  
21   the greenhouse growers in the region have indicated strong interest in developing  
22   distributed generation through investments in combined heat and power generation. The  
23   SECTR Project is therefore expected to serve a mix of load and generation customers. It  
24   is Hydro One's assumption that the net incremental coincident peak flow triggering the  
25   need for the new facilities is caused by incremental *load*, as opposed to generation. Hydro  
26   One has therefore based its cost allocation approach on load customer cost responsibility  
27   provisions, consistent with the guidance in section 6.3.16 of the TSC.

1 **3.0 SUMMARY OF COST ALLOCATION APPROACH**

2  
3 The approach to allocating the costs and required capital contributions in this project is a  
4 five-step process:

- 5
- 6 1. Hydro One Transmission invests in new transmission connection facilities in the  
7 amount of the project cost.
  - 8 2. The project cost is allocated between system benefit (no capital contribution required)  
9 and customer benefit (capital contribution required).
  - 10 3. At the transmission level, Hydro One Distribution, as the sole transmission-connected  
11 customer for the proposed facilities, pays a capital contribution to Hydro One  
12 Transmission, in accordance with an economic evaluation performed on the customer  
13 benefit portion of the project cost.
  - 14 4. At the distribution level, Hydro One Distribution performs economic evaluations to  
15 allocate the capital contribution among all benefiting distributors (including Hydro  
16 One Distribution itself).
  - 17 5. Benefiting distributors (including Hydro One Distribution), in turn, perform  
18 economic evaluations to further apportion each distributor's share of the capital  
19 contribution among its own new large customers and ratepayers.
- 20

21 **4.0 ILLUSTRATIVE EXAMPLE**

22  
23 For additional clarity, the following example illustrates the proposed approach to allocate  
24 the upstream transmission cost of a hypothetical capital investment by Hydro One  
25 Transmission of \$175 million—\$75 million of which is assessed to be for system  
26 benefit—to meet the capacity needs of three distributors (one of which is Hydro One  
27 Distribution and the other two are embedded customers of Hydro One Distribution),  
28 totaling 200 megawatts of non-coincident incremental peak load. Economic evaluations,  
29 which take into consideration projected revenues associated with customers' load

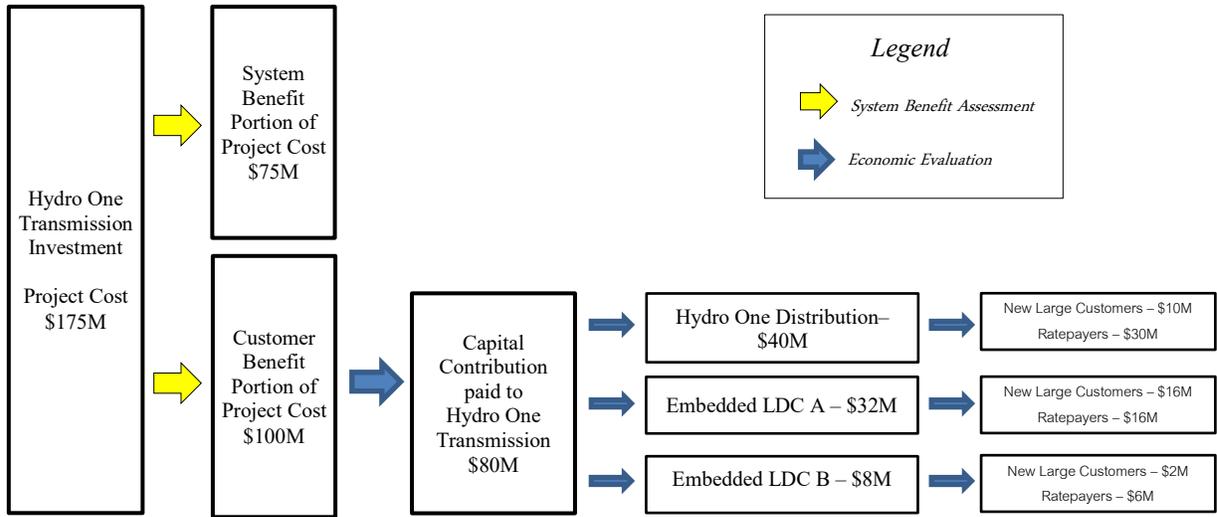
1 forecasts, are performed to determine the total capital contribution payable at the  
2 transmission level, and the allocation at the distribution level of that total capital  
3 contribution among the three distributors and their respective distribution customers.

4

5 In this example, the total capital contribution payable at the transmission level, as  
6 determined through an economic evaluation performed by Hydro One Transmission, is  
7 \$80 million. At the distribution level, economic evaluations performed by Hydro One  
8 Distribution allocate this total capital contribution among the three distributors (including  
9 Hydro One Distribution itself). The economic evaluations in this example are assumed to  
10 result in allocations of 50%, 40% and 10% for Hydro One Distribution, Embedded  
11 Distributor A, and Embedded Distributor B, respectively. To allocate each distributor's  
12 capital contribution among that distributor's own customers, an economic evaluation is  
13 performed by the particular distributor for each of its new large customers, as well as an  
14 additional economic evaluation for its ratepayers generally. In this example, the results of  
15 these economic evaluations are assumed to yield the capital contribution allocations  
16 shown in the diagram and table below. Although not shown in the diagram and table  
17 below, capital contribution allocations are calculated separately for each new large  
18 customer. Capital contribution allocations for ratepayers are absorbed into the respective  
19 distributors' revenue requirements and recovered through rates.

**Flow of Costs Diagram (Illustrative Only)**

1  
2  
3  
4  
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11  
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16  
17  
18  
19  
20



**Cost Responsibility Table (Illustrative Only)**

Distributor	Non-Coincident Incremental Peak Load (MW)	Attributed Project Cost (Input to Economic Evaluation) (\$M)	Capital Contribution Allocation Percentage based on Economic Evaluation	Capital Contribution (\$M)	
Hydro One Distribution	90	45	50%	40	New Large Customers - 10
					Ratepayers - 30
Embedded LDC A	80	40	40%	32	New Large Customers - 16
					Ratepayers - 16
Embedded LDC B	30	15	10%	8	New Large Customers - 2
					Ratepayers - 6
<b>TOTAL</b>	<b>200</b>	<b>100</b>	<b>100%</b>	<b>80</b>	

21

1                                   **OTHER PUBLIC INTEREST CONSIDERATIONS**

2  
3           **1.0    AVAILABILITY, RELIABILITY, AND QUALITY IMPACTS**

4  
5    The Windsor – Essex region is a major regional load centre in Ontario with a well-  
6    established history in manufacturing and greenhouse vegetable production. Both the  
7    regional load and local generation are of the order of 1,000 MW.

8  
9    The transmission system in the region includes 230 kV circuits C23Z and C24Z between  
10   Chatham SS and Lauzon TS, C21J and C22J between Chatham SS and Keith TS; and 115  
11   kV circuits J3E and J4E between Keith TS and Essex TS, Z1E and Z7E between Essex  
12   TS and Lauzon TS, E8F and E9F between Essex TS and Ford Windsor MTS, and K2Z  
13   and K6Z which connect Kingsville TS, Belle River TS and Tilbury TS to Lauzon TS.  
14   Post contingency thermal and voltage concerns in the region are managed with a Special  
15   Protection System (“SPS”), the Windsor Area Special Protection Scheme. The  
16   transmission system in the area requires reinforcement.

17  
18   Hydro One intends to undertake the required work with in-house construction resources,  
19   augmented by outsourcing as required. Request for proposals for any required  
20   equipment, materials and services will be tendered for public bids and posted on Hydro  
21   One’s website.

22  
23   Based on the supporting evidence included in this application, Hydro One submits that  
24   availability, reliability and quality of electricity service will be maintained or improved.

1                   **CONSTRUCTION AND PROJECT ADMINISTRATION**

2  
3 Hydro One can achieve a May 2016 in-service date for the proposed transmission  
4 facilities work assuming that the Board grants leave to construct approval for the  
5 proposed facilities by June 2014.

6  
7 To complete the lines-related part of the project, Hydro One will:

- 8
- 9 • Install approximately 13 kilometers of new 230 kV double-circuit steel lattice tower  
10 transmission line between Leamington Junction (located along the Chatham SS to  
11 Keith TS 230 kV corridor) and Leamington TS to provide additional load supply  
12 capacity at Leamington TS. The number and locations of the new structures will be  
13 optimized;
  - 14 • Install Optical Ground Wire (“**OPGW**”) on top of the new 230 kV towers serving  
15 Leamington TS as well as new OPGW on the existing C21J/C23Z towers (near  
16 Leamington Junction) to be used for tapping into the existing OPGW splice box;
  - 17 • Connect the proposed new Leamington TS DESN station into the existing fiber  
18 SONET (“**Synchronous Optical Networking**”) network between Chatham SS and  
19 Malden TS as part of Windsor Area Fiber Ring, for telecommunication and control  
20 purposes;
  - 21 • Ensure prudent measures are taken to reduce EMF at ground levels, which is  
22 achieved via circuit phasing optimization;
  - 23 • Review and update easement documents and road authority occupation agreements to  
24 meet current and future requirements;
  - 25 • Obtain additional property rights where required;
  - 26 • Determine the environmental approvals and/or permits required for the proposed  
27 undertaking;

- 1 • Carry out line construction activities that include setting up construction yards,  
2 construction crew mobilization at sites, building access roads and stringing pads on  
3 the existing right-of-way (“**ROW**”), installing gates and fences, clearing trees and  
4 brush from the ROW (if required), removing the existing structures and conductors,  
5 installing new reinforced concrete foundations, erecting new steel lattice towers and  
6 poles, stringing new conductors, removal of access road and stringing pads,  
7 restoration of the lands, and demobilization of construction crews.
- 8 • Carry out protection works at Leamington TS, Malden TS, Chatham SS and J.C.  
9 Keith TS by adding new line protection relays and associated devices.

10

11 A project schedule showing the tasks leading up to the in-service date is provided in  
12 **Exhibit B, Tab 5, Schedule 2.**

1  
2  
3

**TABLE SHOWING PROPOSED CONSTRUCTION AND IN-SERVICE SCHEDULE**

<b>TASK</b>	<b>START</b>	<b>FINISH</b>
Submit Section 92		January 2014
Projected Section 92 Approval	January 2014	June 2014
Prepare and Sign CCRA	June 2014	May 2015
Detailed Engineering	July 2014	July 2015
Property Rights Acquisition	September 2014	June 2015
Tender & Award Major Long Lead Materials	September 2014	February 2015
Receive Major Long Lead Materials	April 2015	October 2015
Construction	May 2015	May 2016
Commissioning	April 2016	May 2016
<b>In Service</b>		<b>May 2016</b>

1                   **OTHER MATTERS / AGREEMENTS / APPROVALS**

2  
3   **1.0    SYSTEM IMPACT ASSESSMENT (“SIA”)**

4  
5   Under the Market Rules, any party planning to construct a new or modified connection to  
6   the IESO-controlled grid must request an IESO SIA of these facilities. The IESO will  
7   provide a draft SIA for the SECTR Project which is expected to be filed as **Exhibit B,**  
8   **Tab 6, Schedule 3** in February of 2014.

9  
10   The IESO assessment will address the impact of the proposed facilities on system  
11   operating voltage, system operating flexibility, and on the ability of other connections to  
12   deliver or withdraw power supply from the IESO-controlled grid.

13  
14   **2.0    CUSTOMER IMPACT ASSESSMENT (“CIA”)**

15  
16   Hydro One will file a CIA, in accordance with its customer connection procedures, in  
17   March 2014. The CIA document will be filed as **Exhibit B, Tab 6, Schedule 4.**

18  
19   **3.0    STAKEHOLDER AND COMMUNITY CONSULTATION**

20  
21   Hydro One conducted stakeholder and community consultation to provide information  
22   about the project and give people opportunities to ask questions and provide feedback.  
23   The government ministries, agencies, municipal staff and elected officials, and residents  
24   in a defined study area were consulted through personal contact, e-mail or direct mailing,  
25   newspaper notices, the establishment of a project website  
26   (<http://www.HydroOne.com/Projects/SupplyEssex/Pages/EssexCounty.aspx>) and Public  
27   Information Centres (“PICs”). The feedback received through the consultation process  
28   regarding potential construction effects on the natural environment, agriculture, and the

1 neighbouring property owners was considered and incorporated as appropriate. The  
2 details of Hydro One’s stakeholder consultation process are described in **Exhibit B, Tab**  
3 **6, Schedule 5.**

4  
5 Hydro One carried out a parallel engagement process with neighbouring First Nations  
6 and Métis communities as described in **Exhibit B, Tab 6, Schedule 6.**

#### 8 **4.0 ENVIRONMENTAL ASSESSMENT**

9  
10 The proposed Supply to Essex County Transmission Reinforcement (“**SECTR**”) Project  
11 falls within the definition of the projects covered under the Hydro One (1992) “*Class*  
12 *Environmental Assessment for Minor Transmission Facilities*” (“**Class EA**”), which is  
13 approved under the *Environmental Assessment Act* (“**EA Act**”) by the Ministry of the  
14 Environment (“**MOE**”).

15  
16 The Class EA process that was completed for this Project included:

- 17 • Collection of environmental and socio-economic features within the study area;
- 18 • Identification of any environmental effects of the proposed transmission facilities and  
19 the corresponding mitigation measures;
- 20 • Consultation with the public and stakeholders (e.g. federal and provincial ministries,  
21 municipal officials and property owners) to further identify issues and concerns with  
22 the project and to address those concerns through mitigation; and
- 23 • Engagement with First Nations communities.

24  
25 Between the official Notice of Commencement of the project in 2008 and the Notice of  
26 Completion of the draft ESR in 2010, Hydro One conducted comprehensive public and  
27 government agency consultation to inform stakeholders about the SECTR Project as well  
28 as identify and resolve potential concerns (see **Exhibit B, Tab 6, Schedule 5** for further

1 information on Stakeholder and Community Consultation). Engagement with First  
2 Nations communities to respond to and consider their issues and concerns was also  
3 undertaken during this time and as mentioned earlier is further discussed at **Exhibit B,**  
4 **Tab 6, Schedule 6.**

5  
6 A draft Environmental Study Report (“**ESR**”) was made available for public review and  
7 comment for approximately 30 calendar days starting February 11 and ending March 12,  
8 2010.

9  
10 Agency and public comment letters received during this period were addressed and  
11 documented in the final ESR as required by the Class EA process. Two Part II Order  
12 requests for a higher level of assessment, i.e. Individual Environmental Assessment were  
13 received. Both requests were based on the assumption that the Project would contribute to  
14 or service future developments of industrial wind farms in Essex County or anywhere  
15 within the Great Lakes Basin and its watershed. In letters dated May 18, 2010, the  
16 Minister of the Environment responded to the individuals stating that the purpose of the  
17 Project is to satisfy the increasing electricity demand and facilitate the connection of new  
18 customers who use electricity in the vicinity. He noted that electrical generation projects,  
19 including industrial wind farms, are planned and developed by third party companies and  
20 are not within the scope of this Class EA and that a separate approval process exists for  
21 these projects.

22  
23 Comments and issues raised during the review period along with the requests for an  
24 Individual EA were documented in the final ESR which was filed with the MOE on July  
25 22, 2010. Through filing the final ESR, Hydro One has complied with the *EA Act* for the  
26 SECTR Project. There is no expiration for the Class EA although there is an amendment  
27 process that may include public participation if there is a change in the project. Prior to  
28 construction, Hydro One will seek all regulatory approvals, licences and permits as  
29 required.

1 **5.0 COMPLIANCE WITH INDUSTRY STANDARDS AND CODES**

2  
3 The proposed facilities will be constructed, owned and operated by Hydro One. The  
4 design and maintenance of these facilities will be in accordance with good utility  
5 practice, as established in the *Transmission System Code*.

6  
7 **6.0 LAND MATTERS**

8  
9 The proposed line will connect the future Leamington Transformer Station (“TS”) and  
10 tower structure 225 (Leamington Junction) to the Chatham Switching Station and Keith  
11 TS corridor. Details on land requirements, existing and required land rights, and the  
12 process for acquiring the required land rights is provided in **Exhibit B, Tab 6, Schedule**  
13 **7.**

14  
15 **7.0 OTHER APPROVAL REQUIREMENTS**

16  
17 Hydro One will address all federal, provincial and municipal requirements of the  
18 construction process, including:

- 19 • Environmental Compliance Approval for noise from the Ministry of Environment  
20 under the *Environmental Protection Act*;
- 21 • Environmental Compliance Approval for drainage from the Ministry of Environment  
22 under the *Environmental Protection Act*;
- 23 • Agreements for pipeline crossings from Union Gas;
- 24 • Fisheries Act and Endangered Species Act requirements;
- 25 • A building permit from the Municipality of Leamington;
- 26 • Stage 2 Archaeological Assessment for the station site and the line; and
- 27 • Entrance permits from the Municipality of Leamington and Township of Lakeshore.

- 1 Hydro One will also voluntarily comply with Municipal Site Development Plan
- 2 requirements and municipal noise bylaws.





# THE CORPORATION OF THE MUNICIPALITY OF LEAMINGTON

111 Erie Street North, Leamington, ON, Canada N8H 2Z9  
Telephone (519) 326-5761 • Fax (519) 326-2481

**OFFICE OF THE MAYOR**  
**John Paterson**  
Email: [jpaterson@leamington.ca](mailto:jpaterson@leamington.ca)

December 19, 2013

Filed: 2014-01-22  
EB-2013-0421  
Exhibit B-6-2  
Attachment 1  
Page 1 of 2

Mr. Mike Penstone  
Vice President  
Network Development & Regional Planning  
Hydro One Networks Inc.

## VIA EMAIL

Dear Mr. Penstone:

**Re: Proposed Leamington Transmission Station - "Leave to Construct" Application, Section 92 of the Ontario Energy Board Act 1998**

Please accept this letter in support of Hydro One Networks Inc. Section 92 application to the Ontario Energy Board (OEB) to construct a new transmission station on Mersea Road 6 in the Municipality of Leamington and further construct a 13-km double circuit 230 kilovolt (kV) transmission line on a new corridor to connect the new station to the existing 230 kV transmission line south of Highway 401 in the Town of Lakeshore.

The new transmission line is badly needed to service existing businesses in our area that require uninterrupted hydro service. It is further needed to accommodate our industrial and agricultural growth, specifically in the greenhouse industry.

Leamington and area represents the largest cluster of greenhouse production in North America with over 2000 acres. Currently in the Leamington area, we have large acreages of greenhouse construction that cannot proceed without investment from the electricity distributor.

Our partners in the greenhouse sector industry and services have provided appropriate support information to Hydro One to substantiate the need to construct the infrastructure required for the Leamington area so we can continue to grow.

The recent announcement with respect to the closure of the H.J. Heinz Company does not take away the need to construct the badly required infrastructure. Heinz utilized and exported its own hydro and were not importing any significant amount of hydro over the last several years.

The implication of not constructing the new infrastructure is harmful to our existing and future businesses.

In the greenhouse industry alone, it is estimated that failure to provide electricity to the underserved area would result in \$300 Million of construction going to the United States of America.

The expansion of the hydro infrastructure to the proposed transmission station in Leamington is critical, and as Mayor I would urge OEB to approve Hydro One's application in this regard.

---

Leamington Council is in support of the application and would ask that if there are any further questions in this regard, please do not hesitate to contact the undersigned.

Yours truly,

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

John Paterson  
Mayor

/kms

File: T:\CAO\CAO 2013\Mayor 2013\ct-Hydro One-Proposed Leam Transmission Station-121913.doc



# THE CORPORATION OF THE TOWN OF KINGSVILLE

2021 Division Road North  
Kingsville, Ontario N9Y 2Y9

Phone: (519) 733-2305 Fax: (519) 733-8108 [www.kingsville.ca](http://www.kingsville.ca)

Filed: 2014-01-22

EB-2013-0421

Exhibit B-6-2

Attachment 2

Page 1 of 4

## OFFICE OF THE MAYOR

Sent via Email ([Community.Relations@HydroOne.com](mailto:Community.Relations@HydroOne.com))

January 6, 2014

Mr. Mike Penstone, Vice-President, Network Development & Regional Planning  
Hydro One Networks Inc.  
483 Bay St.; South Tower; 7<sup>th</sup> Floor  
Toronto, ON M5G 2P5

Dear Sir:

**RE: Kingsville Town Council Letter of Support for new Transformer Station  
(Hydro One's Supply to Essex County Transmission Reinforcement Project)**

Correspondence from Ms. Carrie-Lynn Ognibene, Sr. Advisor, Corporate Relations, Hydro One Networks Inc. dated December 10, 2013 (copy enclosed) was presented to Kingsville Council at its Regular Meeting held on Monday, December 16, 2013.

Kingsville Town Council unanimously supported Hydro One's intent to seek Ontario Energy Board approval for new electricity transmission facilities in Leamington and Lakeshore in order to address both future growth in electricity demand and anticipated expansion in the local agricultural sector. In Kingsville, we also see this reinforcement project as an improvement to the reliability of our current system which relies heavily on our existing 150kV TS.

We look forward to hearing from you as the application moves forward. Our community would be most interested in being kept up to date and involved in the public hearing process as we proceed in the future.

Yours very truly,

A handwritten signature in black ink, appearing to read 'Nelson Santos'.

Mayor Nelson Santos

/sjk

Encl.

COPY



www.HydroOne.com

December 10, 2013

Mayor Nelson Santos  
and Members of Council  
Town of Kingsville  
2021 Division Road North  
Kingsville, ON N9Y 2Y9



VIA EMAIL

Dear Mayor Santos & Council:

**Hydro One to seek approval to build Leamington Transformer Station (TS)**

I am writing to update you on the status of Hydro One’s Supply to Essex County Transmission Reinforcement Project. Hydro One completed the Environmental Assessment for this project in 2010 following an extensive consultation process. Due to economic conditions at that time, Hydro One decided to defer seeking Ontario Energy Board (OEB) approval to build the project until the Ontario Power Authority (OPA) had an opportunity to further review the long-term electricity needs of the Windsor-Essex area.

The OPA, in its regional supply planning discussions with Hydro One and the local distribution companies (LDCs) in Essex County, has determined that new transmission facilities are needed in the Kingsville/Leamington area to address future growth in electricity demand and anticipated expansion in the local agricultural sector. The new facilities would also contribute to improved reliability of electricity supply in the broader Windsor-Essex region.

As noted in Ontario’s updated Long-Term Energy Plan, *Achieving Balance*, released on December 2, 2013, Hydro One has resumed planning for the Leamington TS and associated connector line. Hydro One intends to file a “Leave to Construct” application with the OEB early in 2014 seeking approval under Section 92 of the *Ontario Energy Board Act, 1998* to construct the facilities shown on the attached map. The project would include: a new transformer station on Hydro One-owned property on Mersea Road 6 adjacent to the municipal utility corridor in the Municipality of Leamington; and a new 13-kilometre double circuit 230 kilovolt (kV) transmission line on a new corridor to connect the station to the existing 230 kV transmission line south of Highway 401 in the Town of Lakeshore. Cost recovery for the transmission expansion will also be established during the approvals process.

As with the environmental assessment process, the OEB’s review of Hydro One’s “Leave to Construct” application will include opportunities for public involvement, in this case through a formal hearing process. Hydro One will be communicating with local stakeholders and potentially-affected property owners in the coming weeks to inform them of our intent to seek approval to construct these facilities.

Following receipt of Hydro One's application, the OEB will issue a *Notice of Application and Hearing* which will outline the process for those who wish to be involved in the public hearing. Hydro One will publish the Notice in local and regional newspapers and send it to all project stakeholders, potentially-affected property owners and interested parties.

LDCs in the Windsor-Essex support this project. We'd appreciate if Council would also communicate its support for this project by way of a letter which we would include with our application to the OEB. The letter may be addressed to Mike Penstone, Vice-President, Network Development & Regional Planning, Hydro One Networks Inc., and sent electronically via [Communtiy.Relations@HydroOne.com](mailto:Communtiy.Relations@HydroOne.com).

In the interim, background information including the final Environmental Study Report for this project can be viewed on Hydro One's website at [www.HydroOne.com/Projects](http://www.HydroOne.com/Projects). If you have any question or wish to request a meeting with Hydro One representatives, please don't hesitate to contact me at 416-345-5130.

Sincerely,



Carrie-Lynn Ognibene  
Sr. Advisor, Corporate Relations

Attachment

cc Mr. Dan DiGiovanni, Chief Administrative Officer  
Ms. Ruth Orton-Pert, Director of Corporate Services/Clerk

# Location of Proposed Leamington TS and Connector Line





## *Corporation of the County of Essex*

*Office of the Warden*

*Tom Bain*

*Warden – County of Essex*

January 6, 2014

Mr. Mike Penstone, Vice-President  
Network Development & Regional Planning  
Hydro One Networks Inc.  
([Community.Relations@HydroOne.com](mailto:Community.Relations@HydroOne.com))

Dear Mr. Penstone:

### **Re: Leamington Transformer Station**

---

On behalf of the Corporation of the County of Essex, I am pleased to support the "Leave to Construct" application by Hydro One for the construction of a new transfer station on Mersea Road 6 in the Municipality of Leamington and a new 13-kilometre double circuit 230 kilovolt (kV) transmission line on a new corridor to connect the station to the existing 230 kV transmission line south of Highway 401 in the Town of Lakeshore.

These improvements will tremendously assist the Town of Kingsville and Municipality of Leamington with future growth potential in electricity demand and also assist with expansion of the agricultural sector.

The County of Essex is fully supportive of Hydro One's application which we feel will assist in future development of not only Kingsville and Leamington but the broader Essex-Windsor region as well.

Sincerely,

Tom Bain  
Essex County Warden

TB:sw



Ontario Greenhouse Vegetable Growers  
32 Seneca Road  
Leamington, Ontario  
N8H 5H7  
(519) 326-2604 / 1-800-265-6926  
(519) 326-7842 Fax  
[www.ontariogreenhouse.com](http://www.ontariogreenhouse.com)

January 20, 2014

Susan Frank  
Chief Regulatory Officer, Hydro One  
483 Bay Street  
7th Floor  
Toronto, Ontario, M5G 2P5

To whom it may concern,

The Ontario greenhouse vegetable sector represents one of the fastest growing parts of Canadian agriculture. With an estimated \$750 million in farmgate sales in 2013 and a consistent track record of growth, the sector is a valuable contributor to the Ontario economy. Over the past 20 years, the greenhouse sector has shown consistent growth expanding at a compounded average of 6.1% per year. This growth rate has increased recently with an additional 480 acres being put into production in the last three years. Expectations are that growth will continue into the future provided that the business climate in Ontario is supportive.

Projecting even a conservative 5% annual compounded growth, an additional 660 acres could come into production in the next five years generating an additional \$205 million in farmgate sales. This expansion would contribute \$580 million to the Ontario economy and generate approximately \$2 million in property tax revenues. Much of this expansion is destined for Essex County, however, currently expansion in this region is being stalled due to limited access to energy. As a result, many growers are considering growth opportunities outside of Ontario, particularly in nearby American states which have mounted aggressive investment attraction initiatives including energy pricing incentives.

Energy costs account for one-third of operating expenses in greenhouse operations, and securing a reliable and affordable source of energy is of key importance to our sector. With this in mind the Ontario Greenhouse Vegetable Growers, the association representing all Ontario greenhouse vegetable farmers has strongly encouraged Hydro One to make application to construct a new transmission line to service the southern part of Essex County. This line will be crucial to the continued growth and success of the Ontario greenhouse vegetable sector, and to its ability to continue to contribute to growth of the Ontario economy. We understand that such projects are capital intensive and it is our hope that cost allocation will proceed in a manner that is fair to both load consumers and Ontario rate payers, and that is cost competitive with electricity supply packages being offered outside of the province.

Sincerely,

A handwritten signature in black ink, appearing to read "Don Taylor".

Don Taylor - Chair, OGVG -



**Nature Fresh Farms Sales Inc.**

634 Mersea Road 7, RR#5, Leamington, ON N8H 3V8

Phone: 519-326-1111 Fax: 519-326-2070

Filed: 2014-01-22

EB-2013-0421

Exhibit B-6-2

Attachment 5

Page 1 of 1

January 13, 2014

Susan Frank  
Chief Regulatory Officer, Hydro One  
483 Bay Street  
7<sup>th</sup> Floor  
Toronto, Ontario, M5G 2P5

Ms. Frank,

As president of Nature Fresh Farms, the largest independent greenhouse grower in Canada with 132 acres of greenhouses, I write this letter in support of the efforts of the OGVG & Hydro One to bring in a new transmission line to service the growing needs of our business, the greenhouse industry in general, and the broader regions of Essex & Chatham Kent.

I would also like to underscore the importance of the OGVG request to ensure that capital cost allocation will proceed in a manner that is fair to both load consumers and Ontario rate payers, and that it is competitive with markets in surrounding jurisdictions.

Regards,

A handwritten signature in black ink, appearing to read "Peter Quiring", written over the word "Regards,".

Peter Quiring  
President, Nature Fresh Farms



627 Rd. 14, R.R. #5  
Leamington, ON N8H 3V8  
519 322 0400  
519 322 4793  
www.orangelinefarms.com

January 13, 2014

Susan Frank  
Chief Regulatory Officer, Hydro One  
483 Bay Street  
7th Floor  
Toronto, Ontario, M5G 2P5

To whom it may concern,

The Ontario greenhouse vegetable sector represents one of the fastest growing parts of Canadian agriculture. With close to \$800 million in farmgate sales in 2013 and a consistent track record of growth, the sector is a valuable contributor to the Ontario economy. Over the past 20 years, the greenhouse sector has shown consistent growth expanding at a compounded average of 6.1% per year. This growth rate has increased recently with an additional 353 acres being put into production in the last two years. Expectations are that growth will continue into the future provided that the business climate in Ontario is supportive.

Projecting even a conservative 5% annual compounded growth, an additional 630 acres could come into production in the next five years generating an additional \$220 million in farmgate sales. This expansion would contribute \$620 million to the Ontario economy and generate approximately \$1.9 million in property tax revenues. Much of this expansion is destined for Essex County, however, currently expansion in this region is being stalled due to limited access to energy. As a result, many growers are considering growth opportunities outside of Ontario, particularly in nearby American states which have mounted aggressive investment attraction initiatives including energy pricing incentives.

Energy costs account for one-third of operating expenses in greenhouse operations, and securing a reliable and affordable source of energy is of key importance to our sector. With this in mind the Ontario Greenhouse Vegetable Growers, the association representing all Ontario greenhouse vegetable farmers has strongly encouraged Hydro One to make application to construct a new transmission line to service Essex County. This line will be crucial to the continued growth and success of the Ontario greenhouse vegetable sector, and to its ability to continue to contribute to growth of the Ontario economy. We understand that such projects are capital intensive and it is our hope that cost allocation will proceed in a manner that is fair to both load consumers and Ontario rate payers, and that is cost competitive with electricity supply packages being offered outside of the province.

Sincerely,

A handwritten signature in black ink, appearing to read "Duffy Kniaziew", written over a horizontal line.

Duffy Kniaziew, President  
Orangeline Farms Limited

2730 Highway #3,  
Oldcastle, ON N0R 1L0

Telephone (519) 737-9811  
Fax (519) 737-7064

Filed: 2014-01-22  
EB-2013-0421  
Exhibit B-6-2  
Attachment 7  
Page 1 of 1



December 2, 2013

Hydro One Networks Inc  
Network Development and Regional Planning  
483 Bay Street  
Toronto, Ontario  
M5G 2P5

Attention: Mike Penstone

Re: New Leamington Transmission line and Transformation Station

Dear Mike;

This letter is confirmation that Essex Powerlines Corporation is fully supportive of Hydro One Networks Inc. building a new transformer station in Leamington and a new double circuit 230 kilovolt (kV) line on a new corridor to connect the station to the existing 230 kV lines south of Highway 401. The area has been in need of a new transformer station due to considerable growth in the area especially in the green house industry. We look forward to working with Hydro One on this project.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Richard Dimmel', is written over a light blue horizontal line.

Richard Dimmel, CMA  
General Manager  
519-737-9811 ext 214  
519-737-7064 fax  
[rdimmel@essexpowerlines.ca](mailto:rdimmel@essexpowerlines.ca)

cc: Mark Alzner, Essex Powerlines Corporation  
Dave Dunn, Essex Powerlines Corporation  
Raymond Tracey, Essex Power Corporation



Filed: 2014-01-22  
EB-2013-0421  
Exhibit B-6-2  
Attachment 8  
Page 1 of 2

January 21, 2014

Ms. Susan Frank  
Chief Regulatory Officer  
Hydro One  
483 Bay Street, 7th Floor  
Toronto, ON M5G 2P5

Dear Ms. Frank,

On behalf of the WindsorEssex Economic Development Corporation, I wish to express our support for the construction of a new transformer station and 230 kV transmission line in the Municipality of Leamington. This investment would allow for growth in the region, specifically in the greenhouse industry which has significant electricity needs.

The Development Corporation has been working with community stakeholders in Leamington and Kingsville since the cancellation of the planned construction of a new transformer station was announced several years ago. We have continued to support the communities' efforts to have the cancellation reconsidered.

Although the recent recession had a significant impact on the City of Windsor and adjacent municipalities, largely due to the area's reliance on the automotive industry, Kingsville and Leamington were impacted to a far lesser degree. Continued growth in the greenhouse industry had a very positive effect on the economies of these two municipalities during that time and it continues to do so.

Already the largest greenhouse cluster in North America, this sector is poised for further growth. Having added over 170 acres of new greenhouses in 2012 alone, plans are in place to increase the cluster by 500 additional acres in the next five years. Many local greenhouse growers are also looking to move to year-round production which would require grow lights during the winter months. Currently there is not enough power available to support grow lights.

Growth in the greenhouse sector will support additional growth in the Essex County economy as a whole, with increased employment and increased sales by greenhouse suppliers. There is also the potential to attract new companies to supply the greenhouse sector. The investment in a new transformer station and transmission line in Leamington will not only facilitate this growth, it will provide significant financial returns.

In our efforts to attract new investment to Essex County, and the Municipality of Leamington in particular, we must be able to assure potential investors of adequate electricity supply for their operations. This is an early requirement for virtually all of our business attraction clients. We are currently working to mitigate the effects of the upcoming closure of the H.J. Heinz plant in Leamington by encouraging companies to expand into the area. Successful business attraction efforts may result in new companies that employ fewer people than Heinz employed, but have much higher power requirements. The inability to assure business attraction clients of an adequate power supply would certainly have a negative effect on potential new investment projects.

We trust that this investment in a new transformer station will receive all necessary support and will proceed in a timely fashion.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Rakesh Naidu', with a stylized flourish at the end.

Rakesh Naidu  
Chief Operating Officer



Mike Penstone  
Hydro One Networks Inc.  
Network Development and Regional Planning  
483 Bay Street  
Toronto, Ontario  
M5G 2P5

January 21, 2014

**Re: Letter of Support - Leamington TS**

As a member of the Windsor Essex Regional Planning Region, Entegrus Powerlines ("Entegrus") is highly focused on the quality of power delivered to its customers in the Windsor Essex region, the community of Wheatley.

Wheatley, in particular, has suffered in recent years from below average power quality. This is a function of the commodity at the end of a long distribution ("3M3") from the Kingsville Transmission Station. Long feeders are naturally more exposed and susceptible to various issues caused by voltage regulation constraints, car accidents and so forth.

Entegrus is aware that the Integrated Regional Resource Plan (IRRP) currently underway for Windsor Essex contemplates the construction by Hydro One Transmission ("Hydro One") a new TS situated in Leamington. This TS would resolve capacity and load issues on the distribution and transmission systems for Leamington and surrounding communities. Entegrus further believes that a Leamington TS would ultimately lead to better quality of electrical delivery to customers in Wheatley due to the reduction in the feeder length distance.

At the time of the writing of this letter, cost allocation from Hydro One to the affected Windsor Essex Planning Region member distributors is unknown. In this regard, Entegrus intends to seek intervenor status in Hydro One's application to the Ontario Energy Board for the Leave to Construct. As an intervenor, Entegrus will focus primarily on the proposed cost allocation methodology.

The approved methodology and cost allocation to Entegrus will heavily influence ongoing support of the project and Entegrus is pleased to continue to support and work with Hydro One to ensure that customers are subject to an equitable distribution of costs. Under the assumption that there is a mutually satisfactory outcome on this matter, Entegrus will be pleased to continue to support and work with Hydro One to ensure that customers are subject to an equitable distribution of costs.

Hydro One in the construction of Leamington TS and the associated distribution and transmission modifications.

Entegrus remains ready to support Hydro One throughout the OEB proceedings and thereafter in an effort to deliver a long overdue solution to the Region's power quality and capacity issues.

Sincerely, 

D. Charron, P. Eng, President, Entegrus Powerlines

cc: Jim Hogan, CEO, Entegrus Inc.

David Ferguson, Director of Regulatory & Administration

**IESO'S SYSTEM IMPACT ASSESSMENT**

1

2

3 A draft SIA will be filed in February 2014.

1

## **CUSTOMER IMPACT ASSESSMENT**

2

3 The CIA will be filed in March 2014.

## 1           **STAKEHOLDER AND COMMUNITY CONSULTATION**

### 2 3           **1.0    INTRODUCTION**

4  
5           Stakeholder and community consultation with respect to the Supply to Essex County  
6           Transmission Reinforcement (“**SECTR**”) Project began when the OPA in the 2007  
7           Integrated Power System Plan identified the need for the Project. However, as a  
8           result of the 2008/09 economic downturn the project was suspended until 2013 when  
9           the OPA reaffirmed the need for the project (see **Exhibit B, Tab 1, Schedule 5, page**  
10          **6**). As such, consultation activities have been two-phased. This exhibit will begin by  
11          discussing stakeholder and community consultation activities as they occurred during  
12          the EA approval and initial consultation for this project that began in 2008. In section  
13          7.0 of this exhibit, information is provided on recent stakeholder and community  
14          consultation activities related to the recommencement of the SECTR Project in  
15          2013.

### 16 17          **2.0    BACKGROUND**

18  
19          The SECTR Project was planned in accordance with the *Class Environmental*  
20          *Assessment for Minor Transmission Facilities*, approved by the Ministry of the  
21          Environment under the provincial *Environmental Assessment Act*. Hydro One began  
22          working on the project in 2007, and initiated the EA and consultation for this project  
23          in 2008. The Class EA was completed in 2010 with the submission of a final  
24          Environmental Study Report (“**ESR**”) to the Ministry of the Environment.

25  
26          Due to the economic downturn that occurred shortly after the Class EA was initiated,  
27          the need for new facilities in Windsor-Essex region continued to be re-assessed by the  
28          Ontario Power Authority (“**OPA**”) throughout the Class EA process. Upon

1 completing the Class EA in 2010, Hydro One decided to suspend the project until the  
2 OPA undertook a further review of the long-term electricity needs in the Windsor-  
3 Essex area.

4  
5 In summer 2011, the Municipality of Leamington's Economic Development Officer  
6 convened a meeting on behalf of the Ontario Greenhouse Vegetable Growers  
7 Association ("OGVG") with representatives of Hydro One, the OPA and Union Gas.  
8 The OGVG took the opportunity to present information on the projected expansion of  
9 the greenhouse sector in the Leamington area in the next five years and the growers'  
10 anticipated requirements for water, electricity and natural gas. Subsequent discussions  
11 among these parties and representatives of the provincial government and the  
12 Windsor-Essex Economic Development Commission have taken place over the last  
13 few years.

14  
15 In summer 2013, the OPA based on updated load forecast information from local  
16 distribution companies ("LDCs") in Essex County including Hydro One, confirmed  
17 the need for additional transmission facilities in the Leamington area. Thus, Hydro  
18 One began preparing this application seeking OEB approval to construct a new 230  
19 kV transmission line on a new right-of-way to connect Leamington station to the  
20 existing 230 kV transmission system.

21  
22 This exhibit summarizes Hydro One's consultation process during the Class EA  
23 process from 2008 to 2010, the input received and the outcomes. A full accounting of  
24 the consultation process is documented in the final ESR, which is posted on the  
25 Supply to Essex County Transmission Reinforcement webpage  
26 at [www.HydroOne.com/Projects](http://www.HydroOne.com/Projects). Hydro One has also carried out an engagement  
27 process with First Nation communities as described in **Exhibit B, Tab 6, Schedule 6**.

1 This exhibit also summarizes the communications Hydro One has undertaken to  
2 inform community stakeholders and potentially-affected property owners that the  
3 Company intends to seek OEB approval to construct the SECTR Project at this time.

### 4 **3.0 PUBLIC CONSULTATION OBJECTIVES AND APPROACH**

5  
6 Hydro One develops customized public and stakeholder communications and  
7 consultation programs for individual projects following the guidelines set out in the  
8 Ontario Ministry of the Environment's *Code of Practice for Consultation in*  
9 *Ontario's Environmental Assessment Process (2007)*. The intent of the public  
10 consultation process is to identify and inform affected and potentially-affected  
11 property owners, stakeholders, government agencies and ministries and members of  
12 the general public about the project. The consultation process is initiated as early as  
13 possible to allow for the identification of potential issues. In order to complete the  
14 Class EA process and prior to filing the "Leave to Construct" application with the  
15 OEB, Hydro One attempts to address and resolve all issues.

16  
17 Several fundamental principles underpin Hydro One's approach to communication  
18 and consultation, including: early, ongoing and timely communications; clear and  
19 complete project information and documentation; open, transparent, and flexible  
20 communications and consultation processes; and respectful dialogue with all  
21 stakeholders.

22  
23 Hydro One uses a variety of methods to communicate with identified stakeholders  
24 about a proposed undertaking and to establish the opportunity for two-way  
25 communication. For this Class EA project, communications vehicles included:

- 26 • newspaper advertisements

- 1 • correspondence, phone calls and meetings with local elected officials, municipal  
2 staff and government agency representatives, local interest groups, and members  
3 of the public
- 4 • Canada Post ad mail or direct mail notices to directly-affected property owners  
5 and those in close proximity to the facilities Hydro One is proposing to build
- 6 • a project website at [www.HydroOne.com/projects](http://www.HydroOne.com/projects)
- 7 • a designated contact person for ongoing communication via email  
8 at [Community.Relations@HydroOne.com](mailto:Community.Relations@HydroOne.com) or via a toll-free number (1-877-345-  
9 6799)
- 10 • three series of public information centres – two in 2008 and one in 2009
- 11 • an independently-facilitated workshop in 2009 with potentially-affected property  
12 owners to look at alternative transmission line routing options in the Staples area.

13

14 Once a project receives all required approvals, it moves into the design and  
15 construction phase. Hydro One’s practice is to continue communicating with affected  
16 property owners and area residents, local officials and government agency  
17 representatives to keep them informed of project activities and to respond to any  
18 questions or concerns in a timely fashion.

19

#### 20 **4.0 CONTACT WITH STAKEHOLDERS AND THE PUBLIC**

21

22 The OPA actively supported Hydro One in communicating information relative to the  
23 need for the project. OPA staff accompanied members of Hydro One’s project team  
24 to meetings with municipal officials and briefings for local MPPs, and attended the  
25 three series of Public Information Centres (“PICs”),

26

27 The Windsor-Essex area LDCs also participated in OPA–led regional planning  
28 meetings and in meetings Hydro One convened with municipal officials at key

1 milestones of the Class EA process. Ongoing communication, primarily by email,  
2 between Hydro One and the LDCs ensured they were kept informed of project  
3 decisions and consultation activities and aware of all communications being sent to  
4 their municipal shareholders and the public. Letters of support received from Essex  
5 Powerlines Corporation and Entegrus Powerlines Inc. have been provided as **Exhibit**  
6 **6, Tab 2, Schedule 2 Attachments 7 and 9.**

7  
8 **4.1 Municipal and County Officials**

9  
10 Hydro One's consultation programs are designed to ensure municipal elected officials  
11 and staff receive advance notice and copies of any communications being sent to the  
12 public (ads, direct mail flyers, etc.). This "no surprises" approach allows municipal  
13 officials to understand any potential issues that might arise and assists them in  
14 responding to constituent inquiries about the project and knowing how to direct  
15 inquiries to Hydro One's website or project contact person for further information.  
16 Municipal officials are also encouraged to attend Hydro One PICs, to invite Hydro  
17 One to appear before Council, and to contact members of Hydro One's project team  
18 at any time with questions or comments.

19  
20 On March 4, 2008, prior to initiating the Class EA for this project, Hydro one  
21 convened an initial meeting of OPA and Windsor-Essex LDC representatives, the  
22 Mayors, chief administrative officers and senior planning officials from the  
23 municipalities in the project study areas. Included in the meeting were representatives  
24 from: the Municipality of Leamington; the Town of Lakeshore; the Town of  
25 Kingsville; the Town of Tecumseh, as well as the County of Essex.

26  
27 At this first Municipal/LDC meeting, the OPA presented an overview of the  
28 electricity supply needs in the Windsor-Essex area and the potential solutions that had  
29 been developed in consultation with Hydro One and the LDCs to meet these needs.

1 The OPA advised that while local generation and energy conservation initiatives  
2 could help, new transmission facilities (either of two proposed options defined as  
3 Alternative 1 and 2) would also have to be part of the supply solution for the region.  
4 Please refer to **Exhibit B, Tab 6, Schedule 5, Attachment 1** for a high level  
5 description of the proposed options as provided to municipal and county officials.  
6 Hydro One outlined the scope for the upcoming Class EA, the proposed public  
7 consultation process, and the regulatory approvals that would be required to move the  
8 project forward. The OPA's and Hydro One's presentations are posted on the project  
9 website at [www.HydroOne.com/projects](http://www.HydroOne.com/projects).

10

11 Municipal leaders understood the need for the project and indicated their general  
12 support for the undertaking. They commented that investment in electricity  
13 infrastructure would facilitate future economic development in Windsor and Essex  
14 County, and could provide capacity to accommodate additional local distributed  
15 generation. Officials from the Municipality of Leamington favoured a new  
16 transformer station in Leamington (Alternative #2) as they felt it would benefit the  
17 expanding greenhouse growers' sector. They also noted that the municipality owns a  
18 utility corridor (an abandoned rail bed) on which Hydro One could locate the new  
19 transmission line provided that future plans for a recreational path system on the  
20 corridor would be compatible.

21

22 Officials from the Town of Kingsville also preferred Alternative #2. While  
23 Alternative #1 would upgrade the transmission line into Kingsville TS, they  
24 understood this alternative would also require upgrading distribution structures along  
25 Road 2 in Kingsville. They noted that the Town's long-term plans to upgrade Road 2  
26 to an urban cross-section are already complicated by the presence of municipal drains  
27 and distribution structures on both sides of the road.

28

1 A second meeting of the Municipal/LDC group was held on June 23, 2008. Hydro  
2 One summarized public input received at the first series of PICs in April, and  
3 reviewed the decision-making process for selecting Alternative #2 (the Leamington  
4 TS) as the preferred transmission option. Hydro One also indicated that the preferred  
5 option would be presented and discussed with members of the public at a second  
6 series of PICs to be held in July 2008 in the Town of Tecumseh and the Municipality  
7 of Leamington. The OPA's and Hydro One's presentations are posted  
8 on [www.HydroOne.com/projects](http://www.HydroOne.com/projects).

9  
10 Prior to the second series of PICs, Hydro One and the OPA gave presentations to the  
11 municipal councils of Leamington and Kingsville on July 7, 2008, and the councils of  
12 Lakeshore and Tecumseh on July 8, 2008. A copy of this Council presentation is  
13 posted on [www.HydroOne.com/projects](http://www.HydroOne.com/projects). Hydro One used the opportunity to present  
14 its recommended transmission alternative, provide information about the upcoming  
15 PICs on July 23 and 24, 2008 and explain the next steps in the Class EA process.  
16 Comments were received and questions were answered on: the preferred alternatives;  
17 EMF concerns; the possibility for distributed generation connection points; local jobs  
18 during the construction phase; and compatible secondary land uses along the  
19 proposed right-of-way.

20  
21 On July 22, 2008, the Municipality of Leamington forwarded to Hydro One a petition  
22 signed by 35 property owners of Lots 8 (former Mersea Township) opposed to one of  
23 the two alternative transmission line routes proposed by Hydro One. The petition  
24 stated: "(we) strongly object to the placement of the high tension hydro line upon our  
25 properties. As taxpayers we paid for the municipality to purchase the old railway bed  
26 which was for utilities. This property was purchased for this reason and should be  
27 utilized for this purpose".

1 At a special meeting of Council on June 29, 2009, Hydro One met with Leamington  
2 planning and technical staff to review the information to be displayed at the PIC on  
3 July 16, 2009 regarding the proposed transformer station site and centre line for the  
4 transmission line to connect the station to the existing 230 kV transmission system.  
5 Hydro One offered a similar presentation to the Town of Lakeshore, which decided  
6 instead to have staff attend the PIC.

7

8 Throughout the Class EA process, Hydro One collected a broad range of information  
9 through email, telephone calls and meetings from staff at the municipalities within the  
10 study area. This information greatly contributed to an understanding of the  
11 environmental features and socio-economic characteristics of the area, and was  
12 valuable input for Hydro One's decision-making process.

13

14 Information about the project status and public consultation events was also provided  
15 to the County of Essex and to the other municipalities in Essex County, (Township of  
16 Pelee; Town of Amhurstburg; Town of LaSalle) although these municipalities were  
17 not in the study area for any of the proposed facilities.

18

19 Please refer to **Exhibit B, Tab 6, Schedule 5, Attachment 1** for examples of the  
20 correspondence sent to municipal and county officials (using Leamington as an  
21 example) at key stages of the project.

22

23 A letter of support for the project from the Municipality of Leamington is attached in  
24 **Exhibit B, Tab 6, Schedule 2, Attachment 1**. Additionally, letters of support from  
25 the Town of Kingsville and the County of Essex are provided in **Exhibit B, Tab 6,**  
26 **Schedule 2, Attachments 2 and 3** respectively.

27

1 **4.2 Members of Provincial Parliament (“MPPs”)**

2  
3 The project area fell within three provincial ridings: Chatham--Kent--Leamington,  
4 Essex, and Windsor--Tecumseh (for the Sandwich Junction x Lauzon TS portion of  
5 the study). The MPPs for these ridings were notified in advance of all public  
6 communications about the project and invited to the public information centres.  
7 Hydro One also briefed the MPPs and their constituency staff at key stages of the  
8 project. Hydro One sent correspondence to MPPs in 2009 similar to those in **Exhibit**  
9 **B, Tab 6, Schedule 5 Attachment 1.**

10  
11 **4.3 Government Agencies (federal and provincial) and Conservation**  
12 **Authorities**

13  
14 Prior to introducing the project to local stakeholders and members of the public in  
15 2008, Hydro One informed and sought input on the proposed undertaking from a  
16 broad range of provincial government ministries and agencies, federal departments,  
17 local public and Catholic district school boards, and two conservation authorities-  
18 Essex and Region Conservation Authority and the Lower Thames Valley  
19 Conservation Authority. The government agencies were kept informed of project  
20 status throughout the consultation process and made aware of all public and  
21 stakeholder consultation events. The list of government agencies and copies of  
22 correspondence sent to them can be found in the appendices of the final ESR, posted  
23 at [www.HydroOne.com/projects](http://www.HydroOne.com/projects).

24  
25 **4.4 Community and Special Interest Groups**

26  
27 Hydro One identified and provided project information to a broad range of local  
28 community and special interest groups, and invited them to provide input and to  
29 participate in public consultation events. These groups included: Carolinian Canada;

1 Christian Farmers Federation of Ontario; Citizens Environmental Alliance; Essex  
2 County Field Naturalists Club; Essex County Stewardship Network; Essex Federation  
3 of Agriculture; Little River Watershed; Little River Enhancement Group; Ontario  
4 Federation of Agriculture; Ontario Greenhouse Vegetable Growers' Association; TD  
5 Friends of the Environment Foundation.

6

7 **4.5 Other Companies with infrastructure in the project area**

8

9 Hydro One consulted with companies that have infrastructure in the project area to  
10 determine whether the proposed undertaking could potentially affect their existing  
11 facilities or those being planned. Among the companies contacted were: Brookfield  
12 Renewable Power; CN Rail; Wind Prospect Inc.; Talisman Energy; TransCanada  
13 Corp.; Union Gas Ltd.; and the Windsor Airport.

14

15 Hydro One was aware that Union Gas has a natural gas pipeline along the utility  
16 corridor in Leamington and planned to build an additional pipeline along the corridor  
17 in the future. Hydro One met with representatives from Union Gas to ensure that the  
18 proposed 230 kV transmission would be compatible with their existing and proposed  
19 pipelines. A corrosion study conducted by an independent consultant was  
20 commissioned by Hydro One, and with Union Gas' cooperation, mitigation measures  
21 were developed. Hydro One also exchanged information with Brookfield Power  
22 about its proposed wind turbines for the area (now built) which limited potential  
23 transmission line routing options north of County Road 8 in the Town of Lakeshore.

24

1 **5.0 PUBLIC INFORMATION CENTRES**

2  
3 **5.1 Schedule and Notification**

4  
5 Hydro One held three series of Public Information Centres (“PIC”) in 2008 and 2009.  
6 Various methods were used to notify the local community, stakeholders and  
7 potentially affected property owners about the project. For all PICs, invitations were  
8 extended to members of all municipal councils in the study area, the Essex County  
9 Council, government agencies, and all individuals and groups who had requested to  
10 be updated via the project mailing list.

11  
12 ***First round of PICs***

13 Three PICs were held at the outset of the study: April 16, 2008 at the Millen  
14 Community Centre in Woodslee; April 17, 2008 at the Royal Canadian Legion  
15 Branch 84 in Leamington; and April 18, 2008 at the Tecumseh Arena. The purpose  
16 of these initial PICs was to introduce the proposed project and two alternative  
17 transmission options using maps and displays, to explain the Class EA and OEB  
18 approvals process, and to collect information and input from local property owners  
19 and members of the community that might assist the team in identifying issues and  
20 concerns and determining the preferred transmission option.

21  
22 More than 8,500 flyers were delivered by Canada Post Admail to residences and  
23 business in the study areas. Newspaper advertisements announcing commencement of  
24 the Class EA and first round of PICs were placed in the following local newspapers  
25 between April 9 and April 16, 2008: Belle River Lakeshore News; Essex Free Press;  
26 Kingsville Reporter; Leamington Post; Tecumseh Shoreline Week; Tecumseh  
27 Tribune; Tilbury Times; Wheatley Journal; Windsor Star; and Le Rempart (Windsor)  
28 for a French-language advertisement. A copy of the newspaper advertisement and a

1 copy of the flyer for PIC #1 are attached as **Exhibit B, Tab 6, Schedule 5**  
2 **Attachments 2 and 3.**

3

4 ***Second round of PICs***

5 This series consisted of two PICs on: July 23, 2008 at the Royal Canadian Legion  
6 Branch 84, Leamington; and July 24, 2008 at the Tecumseh Arena. These PICs  
7 provided Hydro One with the opportunity to present the preferred transmission option  
8 (Alternative #2) that had been identified in part with input received during the first  
9 series of PICs. Members of the project team also solicited information on potential  
10 sites for a new transformer station in Leamington and on the alternative transmission  
11 line routes to connect the station to the existing 230 kV system.

12

13 Approximately 6,500 flyers were distributed by Canada Post Admail to residents and  
14 businesses within the study area for a new transformer station in the Municipality of  
15 Leamington. About 750 flyers were sent by personally-addressed direct mail (using  
16 information provided by the municipalities) to all property owners within 120 metres  
17 of the two alternative transmission line routes Hydro One identified in Leamington  
18 and Lakeshore, as well as the existing transmission corridor between Sandwich  
19 Junction and Lauzon TS. Newspaper ads ran from July 15 – 23, 2008 in the same  
20 local newspapers used to notify for the previous round of PICS. A copy of the  
21 newspaper advertisement and a copy of the flyer for PIC #2 are attached as **Exhibit**  
22 **B, Tab 6, Schedule 5 Attachments 4 and 5.**

23

24 ***Third round of PICs***

25 The third round consisted of a single PIC on July 16, 2009 at the Lebanese Club in  
26 Leamington. The main focus of this PIC was to present Hydro One's preferred site  
27 for the new transformer station in the Municipality of Leamington and the preferred  
28 route for the transmission line that would connect the station to the existing 230 kV  
29 transmission lines that run parallel to Highway 401 in the Town of Lakeshore.

1 Notice in the form of a large postcard was delivered via Canada Post Admail to more  
2 than 2000 residents and businesses in the vicinity of the proposed facilities in the  
3 Municipality of Leamington and Town of Lakeshore. Newspaper advertisements  
4 were placed from July 8-13, 2009 in the following newspapers: Leamington Post;  
5 Leamington Shopper; Lakeshore News; Windsor Star. A copy of the newspaper  
6 advertisement and a copy of the direct-mail postcard for PIC #3 are attached as  
7 **Exhibit B, Tab 6, Schedule 5 Attachments 6 and 7.**

## 8

### 9 **5.2 Public Information Centre Format**

10  
11 The PICs were held in an open house format where visitors could drop in anytime  
12 between 4 p.m. and 8 p.m. After signing in at the registration desk, visitors were  
13 provided with handouts of the display panels and a comment form on which they  
14 could record their feedback both on the project in general and on the PIC. Hydro One  
15 and OPA employees were on hand to speak one-on-one with visitors about the  
16 proposed project and to answer their questions. A sample copy of a comment form is  
17 attached as **Exhibit B, Tab 6, Schedule 5 Attachment 8.**

18 Hydro One has extensive experience in organizing open house-format PICs. An open  
19 house, as opposed to a public meeting, provides a friendly and informal way for all  
20 visitors to learn about a proposed project and how it might affect them, and gives  
21 each participant the opportunity to ask questions and provide feedback one-on-one or  
22 in small groups to members of Hydro One's project team and technical or subject-  
23 matter experts.

24  
25 Hydro One uses table-sized aerial photographs of the project study area which allow  
26 property owners to see their properties in relation to the facilities that Hydro One is  
27 proposing. Information panels are also displayed to address many aspects of the  
28 project such as: the need for the project; the facilities being proposed; environmental  
29 features in the area; the environmental assessment process; criteria for evaluating

1 alternative routes or sites for the proposed facilities; the regulatory (OEB) approval  
2 and public hearing process; public consultation and how interested parties can  
3 provide input; the project schedule; and information about electric and magnetic  
4 fields. The maps and display panels from the three series of PICs are posted  
5 on [www.HydroOne.com/projects](http://www.HydroOne.com/projects).

### 6 7 **5.3 PIC Attendance and Summary of Feedback**

#### 8 9 *First Round of PICs: April 16, 17 and 22, 2008*

10 A total of 77 individuals attended the first round of PICs and 31 comment forms were  
11 received. Attendance was highest in Woodslee (April 16) and Leamington (April 17).

12  
13 The majority who attended the Woodslee PIC lived in or close to the study area for  
14 transmission Alternative #1, which proposed the construction of a new transformer  
15 station in South Woodslee. In general, the comments at this PIC were highly in favour  
16 of transmission Alternative #2, which would see a new transformer station built in  
17 Leamington. Local residents expressed the following concerns about having a new  
18 transformer station built in their community (Alternative #1): disruption/destruction  
19 of the quality of life in their community; suggestions to find an alternative location  
20 for the transformer station; potential effects on wildlife; EMF issues; aesthetics;  
21 potential depreciation of property values; and stringent timeline concerns. Most  
22 visitors indicated their desire to be kept informed of project status.

23  
24 Conversely, a majority of the visitors at the Leamington PIC supported a new  
25 transformer station in their community (Alternative #2) and could see the potential  
26 benefits of the project, such as improved reliability of electrical service, opportunities  
27 for local business and industry, etc. Comments and concerns focused on: routing the  
28 new transmission line along the existing municipal utility corridor; considering  
29 opportunities for co-generation and access to the provincial grid as part of the

1 planning process; compatibility of walking/biking on the existing municipal utility  
2 corridor if the proposed transmission line is located there; use of steel poles instead of  
3 lattice towers; and maintenance around tower sites. Again, most visitors wanted to be  
4 kept informed of project status.

5  
6 Fourteen individuals dropped into the Tecumseh PIC (April 22, 2008). While the  
7 need for, and importance of, new electricity infrastructure was recognized, visitor  
8 comments related primarily to concerns about EMFs and being kept informed about  
9 the study.

10  
11 Overall, the comments received from the first round of PICs indicated a general  
12 preference for Alternative 2 (Leamington TS/connector line and additional  
13 transmission line between Sandwich Junction and Lauzon TS).

14  
15 ***Second Round of PICs: July 23 and 24, 2008***

16 Over the course of the two days of the second round of PICs to discuss Alternative 2,  
17 a total of 77 individuals attended and 23 written comments forms were received.

18  
19 Fifty-nine individuals attended the Leamington PIC (July 23, 2008) -- the majority  
20 being residents living in the study area. A variety of issues were raised by participants  
21 including: the need for the proposed facilities; occasional flooding in the study area;  
22 potential impacts on irrigation systems; the possibility of radio/cellular interference;  
23 proximity of the Alternative transmission line routes (both A&B) to houses; and  
24 concerns regarding the use of the abandoned rail bed as an electricity transmission  
25 corridor given the presence of water and gas pipelines; and the potential to bury the  
26 transmission line. Overall, a preference was shown for Alternative Route A on the  
27 basis that the abandoned rail bed had been purchased by the municipality for use as a  
28 utility corridor.

1 As previously noted, a day prior to the Leamington PIC, Hydro One was served with  
2 a petition signed by 35 residents opposed to the alternative transmission line route B  
3 and supporting alternative route A which would utilize in part the municipally-owned  
4 utility corridor. This view was also subsequently supported by the Essex County  
5 Federation of Agriculture (“ECFA”), in a letter dated Dec 4, 2008, stating that  
6 “preservation of farmland is a primary goal”, and asking Hydro One to “seriously  
7 consider the unused railroad access to erect these hydro towers”. The ECFA also  
8 suggested that “the impact on landowners be minimized by placing structures near  
9 property lines with access roads positioned with the least amount of farmland  
10 sacrificed”.

11  
12 Eighteen individuals attended the Tecumseh PIC (July 24, 2008), the majority of  
13 whom were residents from the study area. In general, comments and questions related  
14 to EMF issues, safety issues, property values and the Class EA process. Some  
15 attendees asked about tower locations.

16  
17 ***Third Round PIC: July 16, 2009***

18 Sixty-three individuals attended the third round PIC in Leamington including the  
19 CAO and Planner for the Town of Lakeshore and the Director of Community  
20 Services and one Councilor from the Municipality of Leamington. Ten written  
21 comment forms were submitted. Comments generally related to: landowner  
22 compensation; property values; visual/noise effects of a new transformer station;  
23 weed invasion onto neighbouring farms (an organic farm in particular); and interest in  
24 proposed towers types and dimensions. Several residents, greenhouse owners and  
25 representatives from a wind turbine company expressed support for the project.

26  
27 A group of landowners from the Town of Lakeshore proposed a refinement to Hydro  
28 One’s proposed transmission line route north of County Road 8 in Staples. It was  
29 suggested that the transmission line route be moved from the east side of Lakeshore

1 Road 245 to the west side, and if possible to run along mid-concession (between  
2 Lakeshore Road 245 and Lakeshore Road 243). This was of particular interest to a  
3 property owner who farms land on the east side of Lakeshore Road 245 and also to  
4 residents who live on the west side of the road who indicated they'd prefer to have the  
5 line in their back yards instead of having to see it from the front of their homes. In  
6 order to explore potential route refinements in more detail and to understand what  
7 criteria the community would consider important in evaluating the alternative routes,  
8 Hydro One committed to holding a workshop to which all potentially-affected  
9 landowners would be invited as well as representatives from the Essex County  
10 Federation of Agriculture and Town of Lakeshore. Please refer to Section 4.4 for  
11 further information on this workshop.

12  
13 Following PIC#3, Hydro One worked to identify other technically feasible routing  
14 options in the Staples area. Hydro One also met with Brookfield Power to verify the  
15 company's leases and schedule for wind turbines in the area. It was confirmed that  
16 routing a transmission line mid-concession between Lakeshore Road 245 and  
17 Lakeshore Road 243 would not be feasible; however, changes in Brookfield Power's  
18 plans would permit a potential route somewhere between mid-concession and  
19 Lakeshore Road 245. It was determined that the alignment for this alternative route  
20 would also change the way the route would cross properties between Leamington  
21 Concession 11 and County Road 8.

#### 22 23 **5.4 Workshop on Transmission Line Route Alternatives**

24  
25 Hydro One held the workshop on October 29, 2009 from 7 p.m. – 9 p.m. at the  
26 Comber Community Centre. The workshop was led by an independent facilitator.  
27 Invitations were sent to 50 potentially-affected property owners within the defined  
28 study area, stakeholders, First Nation communities and government agencies.  
29 Seventeen participants attended, of which 13 were potentially-affected property

1 owners. Two representatives from the Essex County Federation of Agriculture, one  
2 representative from the Walpole Island First Nation, and one representative from  
3 Brookfield Power were also in attendance.

4  
5 The majority of those in attendance favoured moving the proposed transmission line  
6 route to the west side of Lakeshore Rd 245, so that it is in the backyard of the homes  
7 located on the west side of that road. As a result of this feedback, Hydro One revised  
8 its preferred route and communicated the change to the Municipality of Leamington  
9 and the Township of Lakeshore. The new preferred route alignment was documented  
10 in the draft ESR which was circulated for public review in early 2010.

11  
12 The workshop agenda, presentation materials, workshop discussion and outcomes are  
13 contained in the facilitator's Workshop Report, which is appended to the final ESR  
14 and can be viewed at [www.HydroOne.com/projects](http://www.HydroOne.com/projects).

## 15 16 **5.5 Completion of the Class Environmental Assessment Process**

17  
18 Consistent with the Class EA process, Hydro One prepared a draft Environmental  
19 Study Report and made it available for a 30-day public review and comment period  
20 beginning February 11, 2010, and ending March 12, 2010. A *Notice of Completion of*  
21 *the Draft ESR* advertisement (the "**Notice**") was placed during the week of February  
22 8, 2010 in the same newspapers that were used throughout the consultation process. A  
23 copy of the advertisement is attached as **Exhibit B, Tab 6, Schedule 5 Attachment**  
24 **9**.

25  
26 The Notice advised interested parties that the draft ESR could be downloaded or  
27 viewed on Hydro One's website, and that hard copies of the document were available  
28 for viewing at the public locations noted in the advertisement. The Notice also  
29 provided information on the process and timelines for interested parties to submit

1 comments on the draft ESR and the rights of individuals to submit a Part II Order to  
2 the Minister of the Environment requesting that the project be subjected to a higher  
3 level of assessment (an Individual Environmental Assessment). An advance copy of  
4 the Notice was emailed to all key stakeholders, including municipal leaders, MPPs,  
5 and municipal staff and interest groups. All individuals on Hydro One's project  
6 contact list received a copy of the Notice either by email or mail.

7  
8 Hydro One received four submissions on the draft ESR relating to the Sandwich  
9 Junction to Lauzon TS portion of the study from: CAW Legal Services on behalf of  
10 two residents in the City of Windsor; the Ministry of Transportation; the former  
11 Ontario Realty Corporation; and the Town of Tecumseh. Two submissions relating to  
12 the Leamington TS and connector line were received from: The Ministry of  
13 Transportation ("MTO") and the Ministry of the Environment ("MOE"). The MTO  
14 had no concerns with the project. The MOE commented on Hydro One's acoustic  
15 assessment for the proposed Leamington TS. Hydro One responded that all issues  
16 related to noise at the proposed Leamington TS would be discussed with the MOE  
17 during the Certificate of Approval ("C of A") review period and that the application  
18 process for the Air and Noise C of A would determine whether mitigation measures  
19 (such as noise attenuation measures) would be required.

20  
21 Two Part II Order requests were received asking that the Class EA be elevated to an  
22 Individual EA. The first Part II Order request was received via email by the MOE's  
23 Environmental Assessment and Approvals Branch on March 16, 2010 from a  
24 concerned resident of the Town of Kingsville. A second Part II Order request was  
25 later directed to the MOE in support of the first request. The issues and concerns  
26 raised in both Part II Order requests related to the possible construction of Industrial  
27 Wind Turbines in Lake Erie, and as such were not relevant to the Supply to Essex  
28 County Transmission Reinforcement Class EA. Hydro One responded to both  
29 requestors and to the MOE that the primary purpose of the Supply to Essex County

1 Transmission Reinforcement was to address reliability of electricity supply issues and  
2 to provide additional capacity for the area to meet present and future demand. In a  
3 letter to Hydro One dated May 18, 2010, the Minister of the Environment indicated  
4 that a decision had been made and that an Individual EA for the project would not be  
5 required. A copy of this letter has been attached as **Exhibit B, Tab 6, Schedule 5**  
6 **Attachment 10.**

7  
8 Hydro One incorporated all comments into the final ESR and the Class EA process  
9 was completed with the submission of the final ESR to the MOE on July 22, 2010.

## 10 11 **6.0 SUMMARY OF KEY ISSUES AND HYDRO ONE'S RESPONSES**

12  
13 All issues presented during the consultation phase and during the public review  
14 period for the draft ESR are fully documented in Section 4, Public and Government  
15 Consultation, of the final ESR, which is posted on [www.HydroOne.com](http://www.HydroOne.com).

## 16 17 **7.0 NOTIFICATION BASED ON RECOMMENCEMENT OF SECTR** 18 **PROJECT PER OPA NEED IDENTIFICATION**

19  
20 As mentioned, during the pause over the course of the project, communication was  
21 re-established by the local community and its economic development committee to  
22 explore and reconsider the need for the SECTR Project.

23  
24 In summer 2013, the OPA reconfirmed the need for additional transmission facilities  
25 in the Leamington area. Thus, Hydro One began preparing this application seeking  
26 OEB approval to construct a new 230 kV transmission line on a new right-of-way to  
27 connect Leamington station to the existing 230 kV transmission system.

1 Given the passage of time between the completion of the Class EA and identification  
2 from the OPA of the need for new transmission facilities in the Leamington area,  
3 Hydro One notified local officials, potentially-affected property owners and other  
4 local stakeholders that Hydro One was proceeding with a “Leave to Construct”  
5 application for the Leamington TS and associated connector line. Attached as  
6 **Exhibit B, Tab 6, Schedule 5 Attachment 11** is a copy of the letter sent to the  
7 Municipality of Leamington. Similar letters were sent to the County of Essex, the  
8 Town of Lakeshore, and the Town of Kingsville, the local MPPs, and other local  
9 agencies and stakeholders. Hydro One also notified potentially-affected property  
10 owners based on an up-to-date title search. A copy of the property owner letter is  
11 attached as **Exhibit B, Tab 6, Schedule 5, Attachment 12**.

12 Hydro One and the OPA have held a number of recent discussions with LDCs  
13 regarding the updating of load forecast information and proposed cost recovery  
14 models for the project. On January 6, 2014, the Windsor-Essex Economic  
15 Development Corporation (EDC) facilitated a meeting via conference call with  
16 municipal officials from the Municipality of Leamington and the Town of Kingsville,  
17 representatives of Hydro One (Transmission and Distribution) and the Windsor-Essex  
18 LDCs, and a representative of the OGVG and some of its individual members in the  
19 project area. The meeting provided Hydro One with an opportunity to confirm its  
20 commitment to making the investment in the local area and to outline the timeline for  
21 filing an application with the OEB seeking leave to construct approvals to build the  
22 project. A letter of support was requested from the parties involved and those letters  
23 are provided and in **Exhibit B, Tab 6, Schedule 2**. Additionally, Hydro One and the  
24 OPA participated in a subsequent meeting with LDCs, the OGVG and other  
25 interested parties to further describe and explain the project cost responsibility as  
26 outlines in **Exhibit B, Tab 4, Schedule 4** and the cost allocation methodology at the  
27 distribution level in the context of this Project as outlined in **Exhibit B, Tab 4,  
28 Schedule 5**.

- 1 Hydro One will meet with LDCs, the OGVC and individual greenhouse growers
- 2 shortly following the submission of the leave to construct application to confirm load
- 3 forecasts, as this information will be important in determining capital contributions
- 4 for this project.

---

**From:** OGNIBENE Carrie-Lynn  
**Sent:** Monday, April 07, 2008 3:02 PM  
**To:** [dduncan.mpp.co@liberal.ola.org](mailto:dduncan.mpp.co@liberal.ola.org); [bcrozier.mpp.co@liberal.ola.org](mailto:bcrozier.mpp.co@liberal.ola.org); [phoy.mpp.co@liberal.ola.org](mailto:phoy.mpp.co@liberal.ola.org)  
**Cc:** CANCELLA Enza; DOREY Steve  
**Subject:** Hydro One Class EA and Public Information Centres



Essex AD  
ENGLISH.pdf



Essex Flyer  
Final.pdf

Minister Duncan, Mr. Crozier, and Mr. Hoy:

I am writing to provide some advance information to your constituency staff on Hydro One advertisements and flyers being distributed this week to announce a Class Environmental Assessment (EA) to reinforce the electricity transmission system serving Essex County. The alternatives we are considering as part of our *Supply to Essex County Class EA* are located within your ridings, and are described in the attached ad and flyer, and also on our project website at [www.HydroOneNetworks.com/newprojects](http://www.HydroOneNetworks.com/newprojects).

Hydro One will be hosting three public information centres to discuss this project with area residents: April 16 in Woodslee; April 17 in Leamington; and April 22 in Tecumseh. The newspaper ad begins running this week in local newspapers serving the eastern part of Essex County. It will also appear in the *Windsor Star* on Thursday, April 10. A French version will run in *Le Rempart* on Wednesday, April 9.

The flyer is being delivered this week via Canada Post unaddressed mail to approximately 8,500 households within the project study areas, including those properties within 500 metres of the existing transmission rights-of-way between Woodslee and Kingsville Transformer Station and between Sandwich Junction and Lauzon Transformer Station.

Representatives from Hydro One and the Ontario Power Authority provided an overview of the need for transmission system investments and the Class EA project on March 4, 2008 to the Mayors and senior staff of the Towns of Tecumseh, Leamington, Kingsville and Lakeshore. The County Warden and Planning Director also attended. The presentations given at the March 4 meeting are posted in the Public Consultation section on the project web page.

Our project team would like to offer you and your staff a briefing on this project, either in your riding or alternatively at Queen's Park. I will be following up with your staff to determine your needs and availability.

In the interim, any calls received from constituents on this project may be directed to Hydro One's community information line at 1-877-345-6799, or by email to: [community.relations@HydroOne.com](mailto:community.relations@HydroOne.com).

If you have any questions, please feel free to contact me directly.

Sincerely,

**Carrie-Lynn Ognibene**  
Senior Advisor, Corporate Relations  
Hydro One Networks Inc.  
483 Bay Street, 8th Floor, South Tower  
Toronto, ON M5G 2P5

Tel: 416-345-5130 or 1-877-345-6799

# You are invited to a Public Information Centre

## Supply to Essex County – Class Environmental Assessment

### Working to meet Essex County's future electricity needs

Hydro One is initiating a Class Environmental Assessment (EA) to reinforce the transmission system that supplies Essex County and Windsor to ensure an adequate and reliable supply of electricity for the future. As a first step, Hydro One will evaluate alternative options for meeting the needs of the eastern part of the County. The need for new and/or upgraded high-voltage electrical facilities has been confirmed by the Ontario Power Authority, the agency responsible for planning long-term electricity supply in Ontario, in consultation with local distribution companies and Hydro One.

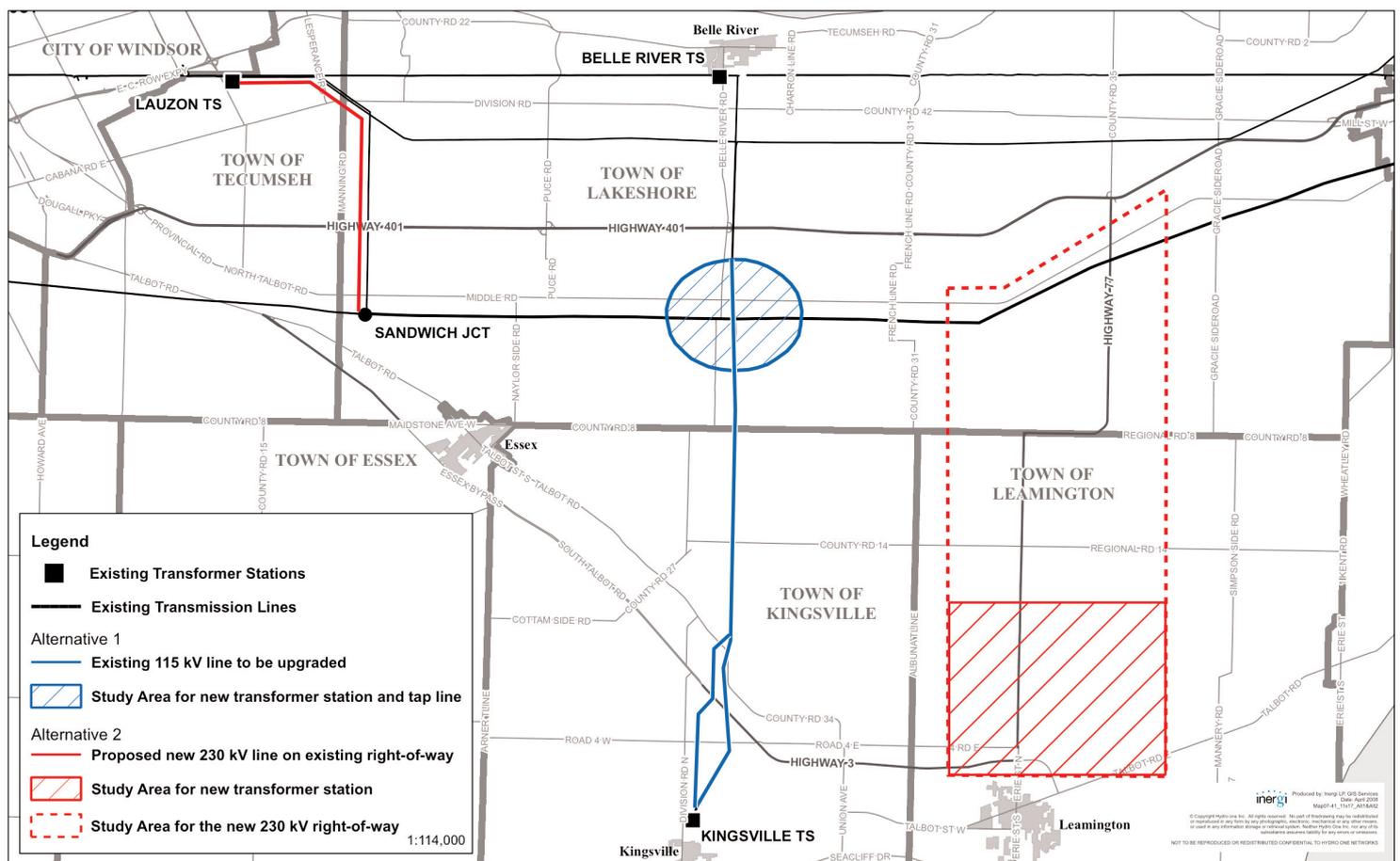
### Alternative Transmission Options under consideration

#### Alternative 1:

- Construct a new transformer station and associated "tap" line in the Woodslee area in the Town of Lakeshore;
- Upgrade the capacity of the existing 115 kV transmission circuits between the proposed station and Kingsville Transformer Station, and replace the wood pole structures on this existing right-of-way.

#### Alternative 2 :

- Construct a new transformer station north of Leamington and a new 230 kV transmission line on a new right-of-way to connect the proposed station to the existing 230 kV line that runs east-west, south of Hwy 401;
- Construct a new 230 kV transmission line on the existing Hydro One-owned right-of-way between Sandwich Junction and Lauzon Transformer Station in the Town of Tecumseh.



### Project Approval Requirements

This project is subject to provincial *Environmental Assessment Act* approval in accordance with the *Class Environmental Assessment for Minor Transmission Facilities* and also requires "Leave to Construct" approval under Section 92 of the *Ontario Energy Board Act*.

### Public Information Centres

Your feedback will help Hydro One identify a preferred option for meeting Essex County's electricity needs. Please visit one of our upcoming Public Information Centres to learn more about this project. Hydro One's project team and representatives from the Ontario Power Authority will be on hand to discuss the need for new facilities and the project alternatives with you.

**Wed. April 16, 4-8 p.m.**

Millen Community Centre  
88 South Middle Road, Woodslee

**Thurs. April 17, 4-8 p.m.**

Royal Canadian Legion, Br. 84  
14 Orange Street, Leamington

**Tues. April 22, 4-8 p.m.**

Tecumseh Arena  
12021 McNorton Street, Tecumseh

### For More Information, contact

Carrie-Lynn Ognibene, Hydro One Community Relations

Tel: 1-877-345-6799

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Website: [www.HydroOneNetworks.com/newprojects](http://www.HydroOneNetworks.com/newprojects)



Partners in Powerful Communities

# Hydro One invites you to a Public Information Centre

## Supply to Essex County – Class Environmental Assessment Project

*Hydro One Networks (Hydro One) invites you to an open house to learn more about its plans to upgrade its electricity transmission facilities in Essex County.*

### **Investing in electricity supply infrastructure to meet future needs**

Hydro One owns and operates the high-voltage transmission system that supplies Ontario's major customers and local distributing companies. Hydro One is initiating a Class Environmental Assessment (EA) to determine the preferred option for reinforcing the transmission system that supplies Essex County and Windsor to ensure an adequate and reliable supply for the future. As a first step in this process, Hydro One's Supply to Essex County Class EA will focus on evaluating alternative options for meeting the needs of the eastern part of Essex County.

The need for investment in new and/or upgraded high-voltage electrical facilities in Windsor and Essex County has been confirmed by the Ontario Power Authority, the agency responsible for planning long-term electricity supply in Ontario, in consultation with local distribution companies and Hydro One.

### **Alternatives under consideration**

As part of the Class EA, Hydro One is seeking input on the following two alternative options:

#### Alternative 1:

- Construction of a new 230 kilovolt (kV) to 115 kV autotransformer station and associated 'tap' line in the Woodslee area in the Town of Lakeshore. The study area for identifying potential station sites is shown on the enclosed Alternative 1 map.
- Upgrading the existing 115 kV transmission circuits between the proposed station and Hydro One's Kingsville Transformer Station. This would involve replacing the existing conductor (wires) with higher capacity conductor and replacing the wood pole structures on the existing transmission right-of-way.

#### Alternative 2:

- Construction of a new 230 kilovolt (kV) to 27.6 kV transformer station north of Leamington.
- Construction of a new 230 kV transmission line on a new right-of-way to connect the proposed station to Hydro One's existing 230 kV transmission line which runs east-west, south of Hwy 401. The study areas for identifying potential station sites and potential routes for the new 230 kV transmission line are shown on the enclosed Alternative 2 map.
- Construction of a new 230 kV transmission line between Sandwich Junction and Hydro One's Lauzon Transformer Station in the Town of Tecumseh, as shown on the map. This new section of 230 kV line would be built within the existing Hydro One-owned right-of-way.

*continued on reverse*

# Supply to Essex County – Class Environmental Assessment Project

## Project Approval Requirements

The proposed Supply to Essex County project is subject to provincial *Environmental Assessment Act* approval in accordance with the Class Environmental Assessment for Minor Transmission Facilities. The project is also subject to “Leave to Construct” approval from the Ontario Energy Board, under Section 92 of the *Ontario Energy Board Act*.

Public consultation and participation is a key part of both the Class EA and the Ontario Energy Board review processes for this project. Your input at all stages of the project is factored into our decision-making. It contributes to Hydro One’s understanding of local issues and concerns associated with a proposed undertaking and helps us recommend the best ways to plan and construct new facilities.

## Public Information Centres

Please visit one of our upcoming Public Information Centres, listed below, to learn more about this project. Members of Hydro One’s project team and representatives from the Ontario Power Authority will be on hand to discuss the need for new facilities and the project alternatives with you.

### Wed. April 16

4:00 – 8:00 p.m.

Millen Community Centre  
88 South Middle Road  
Woodslee

### Thurs. April 17

4:00 – 8:00 p.m.

Royal Canadian Legion, Br. 84  
14 Orange Street  
Leamington

### Tues. April 22

4:00 – 8:00 p.m.

Tecumseh Arena  
12021 McNorton Street  
Tecumseh

A second series of Public Information Centres will be held later this spring after Hydro One has conducted an analysis of the alternatives based on technical, environmental and socio-economic considerations and input received from the public and community stakeholders. At that time, Hydro One will present its preferred alternative and seek public input on its recommendation.

## For More Information

If you have questions, or wish to be added to the project mailing list, please contact:

Carrie-Lynn Ognibene

Hydro One Community Relations

Tel: 1-877-345-6799

Email: [Community.Relations@HydroOne.com](mailto:Community.Relations@HydroOne.com)

Website: [www.HydroOneNetworks.com/newprojects](http://www.HydroOneNetworks.com/newprojects)

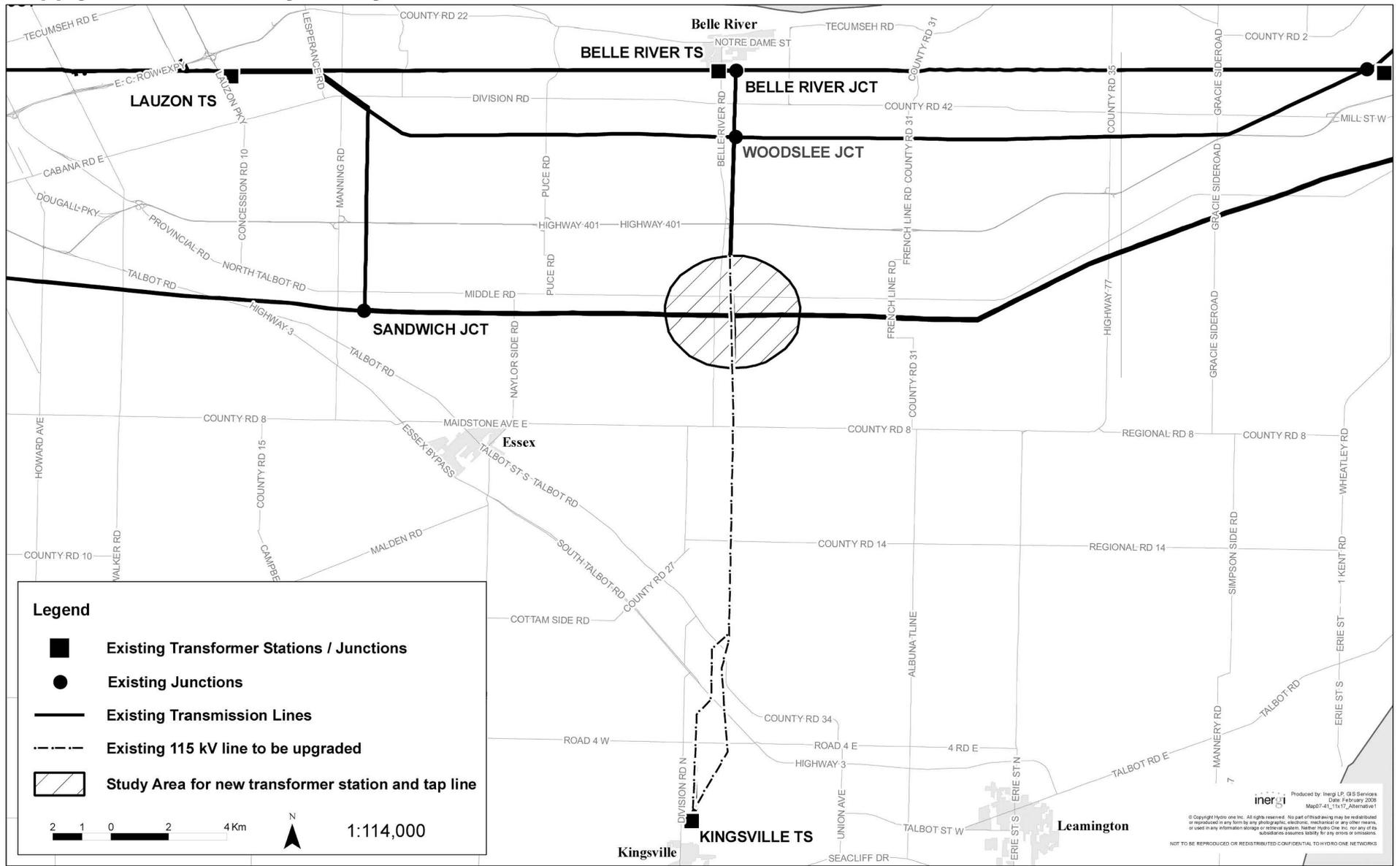
(look under Supply to Essex County)

Additional information is also available on the Ontario Power Authority’s website at:  
[www.powerauthority.on.ca/WindsorEssex](http://www.powerauthority.on.ca/WindsorEssex)



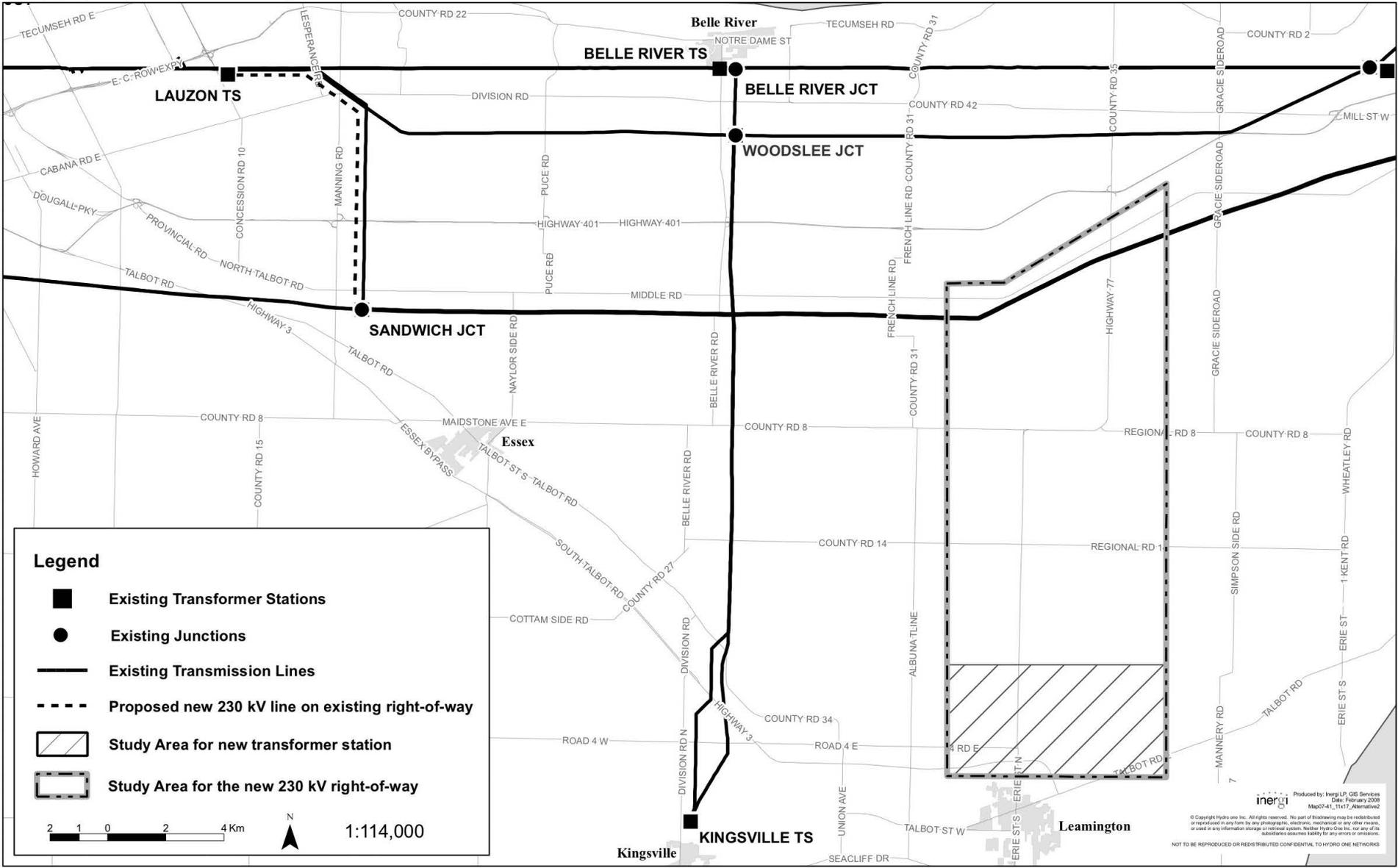
Partners in Powerful Communities

# Supply to Essex County: Study Area for Alternative 1



5

# Supply to Essex County: Study Area for Alternative 2



# You are invited to a Public Information Centre

## Supply to Essex County – Class Environmental Assessment

### Working to meet Essex County's future electricity needs

Hydro One is initiating a Class Environmental Assessment (EA) to reinforce the transmission system that supplies Essex County and Windsor to ensure an adequate and reliable supply of electricity for the future. As a first step, Hydro One will evaluate alternative options for meeting the needs of the eastern part of the County. The need for new and/or upgraded high-voltage electrical facilities has been confirmed by the Ontario Power Authority, the agency responsible for planning long-term electricity supply in Ontario, in consultation with local distribution companies and Hydro One.

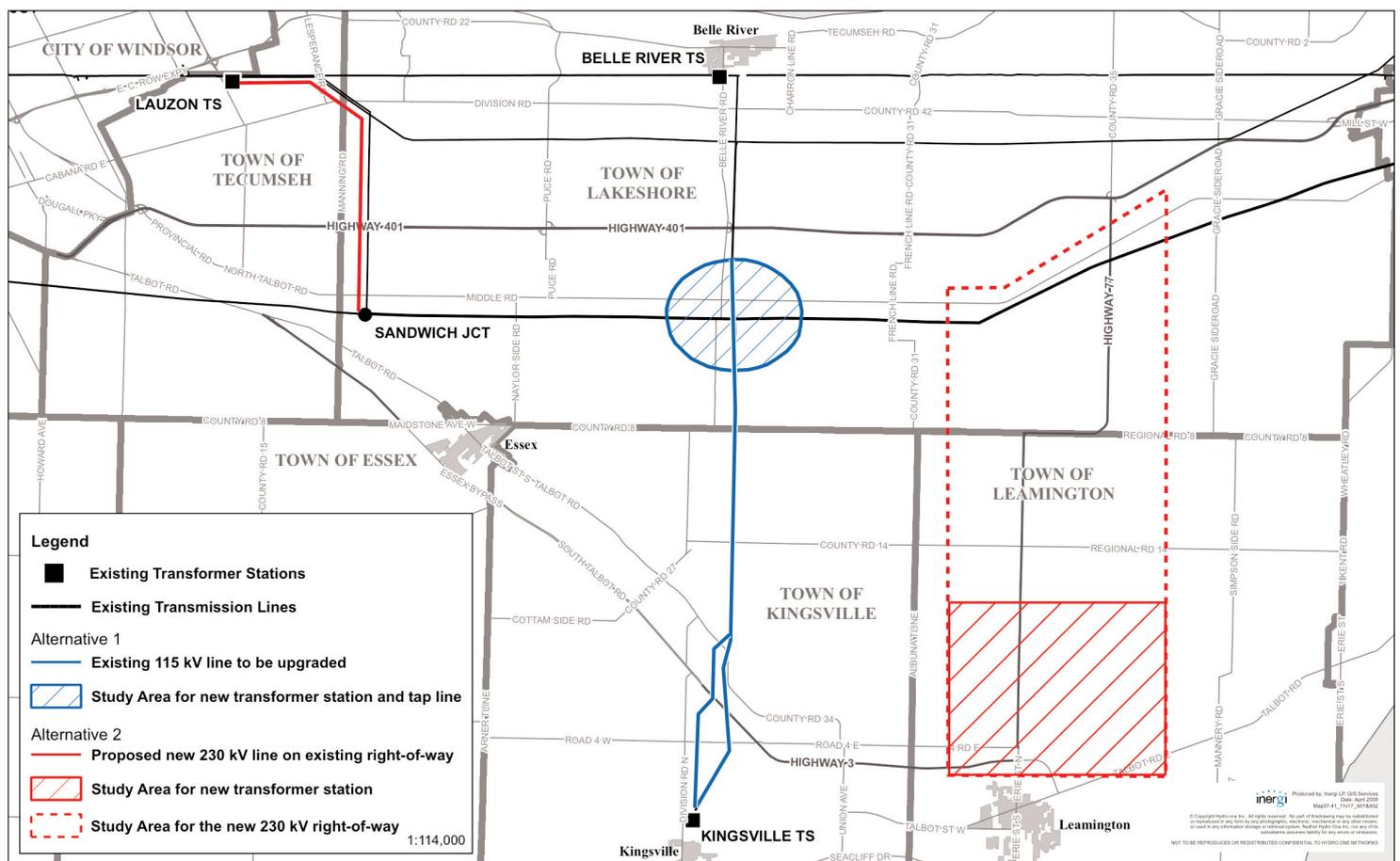
### Alternative Transmission Options under consideration

#### Alternative 1:

- Construct a new transformer station and associated "tap" line in the Woodslee area in the Town of Lakeshore;
- Upgrade the capacity of the existing 115 kV transmission circuits between the proposed station and Kingsville Transformer Station, and replace the wood pole structures on this existing right-of-way.

#### Alternative 2 :

- Construct a new transformer station north of Leamington and a new 230 kV transmission line on a new right-of-way to connect the proposed station to the existing 230 kV line that runs east-west, south of Hwy 401;
- Construct a new 230 kV transmission line on the existing Hydro One-owned right-of-way between Sandwich Junction and Lauzon Transformer Station in the Town of Tecumseh.



### Project Approval Requirements

This project is subject to provincial *Environmental Assessment Act* approval in accordance with the *Class Environmental Assessment for Minor Transmission Facilities* and also requires "Leave to Construct" approval under Section 92 of the *Ontario Energy Board Act*.

### Public Information Centres

Your feedback will help Hydro One identify a preferred option for meeting Essex County's electricity needs. Please visit one of our upcoming Public Information Centres to learn more about this project. Hydro One's project team and representatives from the Ontario Power Authority will be on hand to discuss the need for new facilities and the project alternatives with you.

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14 Orange Street, Leamington

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Tecumseh Arena  
12021 McNorton Street, Tecumseh

### For More Information, contact

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Website: [www.HydroOneNetworks.com/newprojects](http://www.HydroOneNetworks.com/newprojects)



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# Hydro One invites you to a Public Information Centre

## Supply to Essex County – Class Environmental Assessment Project

Filed: 2014-01-22  
EB-2013-0421  
Exhibit B-6-5  
Attachment 3  
Page 1 of 4

*Hydro One Networks (Hydro One) invites you to an open house to learn more about its plans to upgrade its electricity transmission facilities in Essex County.*

### **Investing in electricity supply infrastructure to meet future needs**

Hydro One owns and operates the high-voltage transmission system that supplies Ontario's major customers and local distributing companies. Hydro One is initiating a Class Environmental Assessment (EA) to determine the preferred option for reinforcing the transmission system that supplies Essex County and Windsor to ensure an adequate and reliable supply for the future. As a first step in this process, Hydro One's Supply to Essex County Class EA will focus on evaluating alternative options for meeting the needs of the eastern part of Essex County.

The need for investment in new and/or upgraded high-voltage electrical facilities in Windsor and Essex County has been confirmed by the Ontario Power Authority, the agency responsible for planning long-term electricity supply in Ontario, in consultation with local distribution companies and Hydro One.

### **Alternatives under consideration**

As part of the Class EA, Hydro One is seeking input on the following two alternative options:

#### Alternative 1:

- Construction of a new 230 kilovolt (kV) to 115 kV autotransformer station and associated 'tap' line in the Woodslee area in the Town of Lakeshore. The study area for identifying potential station sites is shown on the enclosed Alternative 1 map.
- Upgrading the existing 115 kV transmission circuits between the proposed station and Hydro One's Kingsville Transformer Station. This would involve replacing the existing conductor (wires) with higher capacity conductor and replacing the wood pole structures on the existing transmission right-of-way.

#### Alternative 2:

- Construction of a new 230 kilovolt (kV) to 27.6 kV transformer station north of Leamington.
- Construction of a new 230 kV transmission line on a new right-of-way to connect the proposed station to Hydro One's existing 230 kV transmission line which runs east-west, south of Hwy 401. The study areas for identifying potential station sites and potential routes for the new 230 kV transmission line are shown on the enclosed Alternative 2 map.
- Construction of a new 230 kV transmission line between Sandwich Junction and Hydro One's Lauzon Transformer Station in the Town of Tecumseh, as shown on the map. This new section of 230 kV line would be built within the existing Hydro One-owned right-of-way.

*continued on reverse*

# Supply to Essex County – Class Environmental Assessment Project

## Project Approval Requirements

The proposed Supply to Essex County project is subject to provincial *Environmental Assessment Act* approval in accordance with the Class Environmental Assessment for Minor Transmission Facilities. The project is also subject to “Leave to Construct” approval from the Ontario Energy Board, under Section 92 of the *Ontario Energy Board Act*.

Public consultation and participation is a key part of both the Class EA and the Ontario Energy Board review processes for this project. Your input at all stages of the project is factored into our decision-making. It contributes to Hydro One’s understanding of local issues and concerns associated with a proposed undertaking and helps us recommend the best ways to plan and construct new facilities.

## Public Information Centres

Please visit one of our upcoming Public Information Centres, listed below, to learn more about this project. Members of Hydro One’s project team and representatives from the Ontario Power Authority will be on hand to discuss the need for new facilities and the project alternatives with you.

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Millen Community Centre  
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### Tues. April 22

4:00 – 8:00 p.m.

Tecumseh Arena  
12021 McNorton Street  
Tecumseh

A second series of Public Information Centres will be held later this spring after Hydro One has conducted an analysis of the alternatives based on technical, environmental and socio-economic considerations and input received from the public and community stakeholders. At that time, Hydro One will present its preferred alternative and seek public input on its recommendation.

## For More Information

If you have questions, or wish to be added to the project mailing list, please contact:

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Hydro One Community Relations

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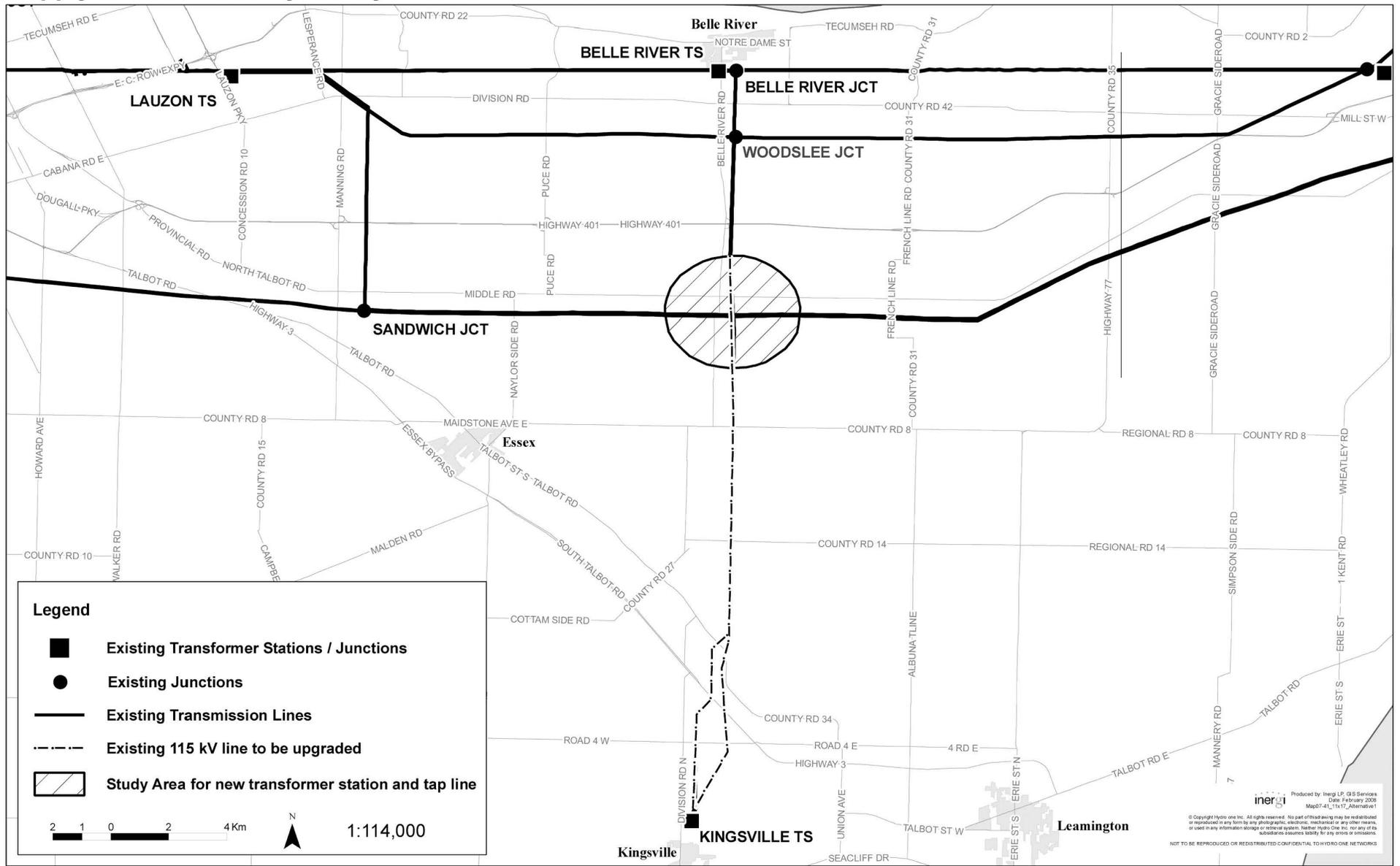
(look under Supply to Essex County)

Additional information is also available on the Ontario Power Authority’s website at:  
[www.powerauthority.on.ca/WindsorEssex](http://www.powerauthority.on.ca/WindsorEssex)



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# Supply to Essex County: Study Area for Alternative 1





# Supply to Essex County Class Environmental Assessment

## Notice of Public Information Centres #2

### Hydro One identifies preferred transmission reinforcement plan for Essex County and Windsor

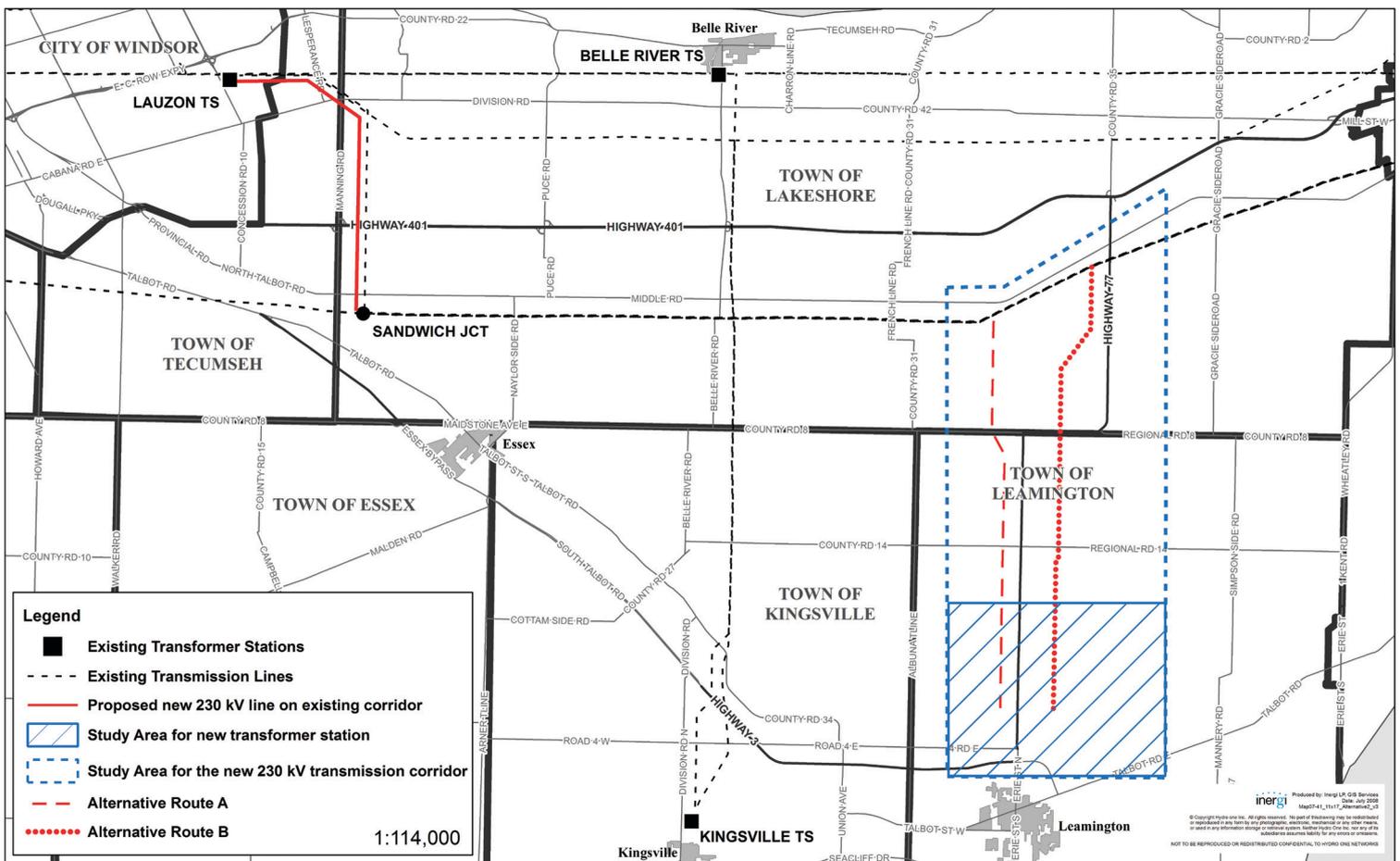
In April, Hydro One Networks (Hydro One) began a Class Environmental Assessment (EA) study of alternatives to reinforce electricity transmission facilities that serve the area. New facilities are needed to improve the reliability and security of electricity supply, and support growing electricity needs in eastern Essex County.

Two alternatives were reviewed with key stakeholders, and an initial series of public information centres was held to obtain community input. Following an analysis of technical, environmental, social, and cost factors, as well as public and stakeholder feedback, Hydro One selected a preferred alternative that represents a \$100 million investment in new transmission facilities.

As shown on the map below, this would include:

- a new transformer station in the Leamington area
- a new 230 kilovolt (kV) transmission line on a new corridor to connect the proposed transformer station to the existing 230 kV lines that run east-west, south of Hwy 401; and
- an additional 230 kV line on the existing transmission corridor between Sandwich Junction and Lauzon Transformer Station (TS)

### Supply to Essex County: Preferred Transmission Alternative



### Next steps in Hydro One's Class EA process

1. Identify and evaluate potential transformer station sites in the Leamington area
2. Evaluate two potential transmission line routes (shown as Alternative Routes A and B on the map)
3. Collect detailed environmental information for the proposed transmission line on the existing corridor between Sandwich Junction and Lauzon TS

### Public Information Centres

Public input is a key part of the Class EA process. Please visit one of our upcoming public information centres to learn more about the project, speak with Hydro One's project team, and provide your comments.

#### Wednesday, July 23

4:00 – 8:00 p.m.  
Royal Canadian Legion, Branch 84  
14 Orange Street, Leamington

#### Thursday, July 24

4:00 – 8:00 p.m.  
Tecumseh Arena  
12021 McNorton Street, Tecumseh

### For more information please contact:

Carrie-Lynn Ognibene  
Hydro One Community Relations  
Tel: 1-877-345-6799  
Email: [Community.Relations@HydroOne.com](mailto:Community.Relations@HydroOne.com)  
Website: [www.HydroOneNetworks.com/newprojects](http://www.HydroOneNetworks.com/newprojects)



# Supply to Essex County Class Environmental Assessment

## Hydro One Project Update and Notice of Public Information Centres #2

Filed: 2014-01-22  
EB-2013-0421  
Exhibit B-6-5  
Attachment 5  
Page 1 of 2

### ***Hydro One Networks (Hydro One) has identified a preferred plan to reinforce electricity transmission facilities in Essex County.***

In April, Hydro One began a Class Environmental Assessment (EA) study of two transmission alternatives to reinforce the electricity facilities that supply Essex County and Windsor. These were reviewed with local distribution companies, government agencies and municipal officials, and an initial series of public information centres was held in Woodslee, Leamington and Tecumseh to obtain community input. Following an analysis of technical, environmental, social, and cost factors, and public and stakeholder feedback, Transmission Alternative #2 was selected as the preferred alternative. It represents a better long-term solution for meeting growing electricity demand in the eastern part of the county while also increasing the reliability and security of the transmission system serving Windsor and Essex County.

The preferred Transmission Alternative #2 includes:

- a new transformer station in the Leamington area, and a new 230 kilovolt (kV) transmission line on a new corridor that would connect the proposed station to the existing 230 kV lines that run east-west, south of Hwy 401; and
- an additional 230 kV line on the existing transmission corridor between Sandwich Junction near Maidstone and Lauzon Transformer Station (TS) on Lauzon Road, south of the E.C. Row Expressway.

Note: Alternative #1 consisted of a new transformer station in the Woodslee area and replacement of existing conductor (wire) and wood poles on the two existing 115 kV lines that supply Kingsville TS.

### **What happens next?**

Hydro One will continue with the Class EA for the preferred transmission plan. This will involve:

1. Identifying and evaluating potential transformer station sites north of Leamington and close to the routes described below. The study area for the new transformer station is shown on Map 1 (see reverse);
2. Evaluating two potential transmission line routes in the Leamington/Lakeshore area, as shown on Map 1:
  - a. Alternative Route A would use a portion of the former rail bed owned by the Municipality of Leamington. This route would divert to the west of the community of Staples and then follow the east side of Concession Road 8 to join up with the existing east-west transmission corridor south of Hwy 401;
  - b. Alternative Route B would be located approximately one kilometre east of Hwy 77 and would join up with the former rail bed north of County Road 8 to connect with the east-west transmission corridor.
3. Collecting detailed environmental information for the new transmission line on the existing corridor between Sandwich Junction and Lauzon TS, as shown on Map 2 (see reverse).

### **Public Information Centres**

Public input is a key part of the EA process. Please visit one of our upcoming public information centres where members of Hydro One's project team can bring you up-to-date on the project and review route and site options for the proposed transmission facilities in your area.

#### **Wednesday, July 23**

4:00 – 8:00 p.m.

Royal Canadian Legion, Branch 84  
14 Orange Street, Leamington

#### **Thursday, July 24**

4:00 – 8:00 p.m.

Tecumseh Arena  
12021 McNorton Street, Tecumseh

### **For More Information**

If you require further information or would like to be added to our project mailing list, please contact:

Carrie-Lynn Ognibene

Hydro One Community Relations

Tel: 1-877-345-6799

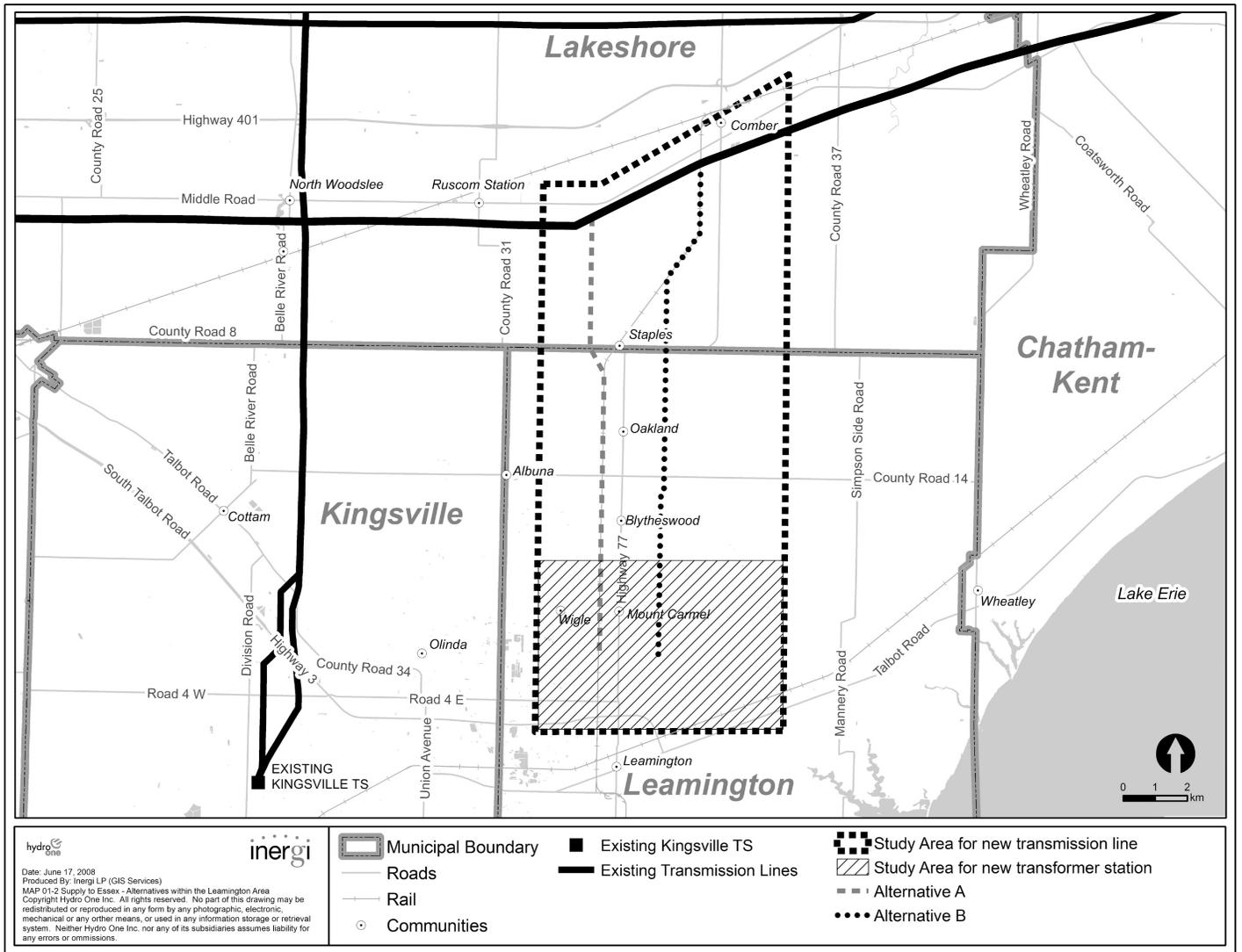
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Website: [www.HydroOneNetworks.com/newprojects](http://www.HydroOneNetworks.com/newprojects)

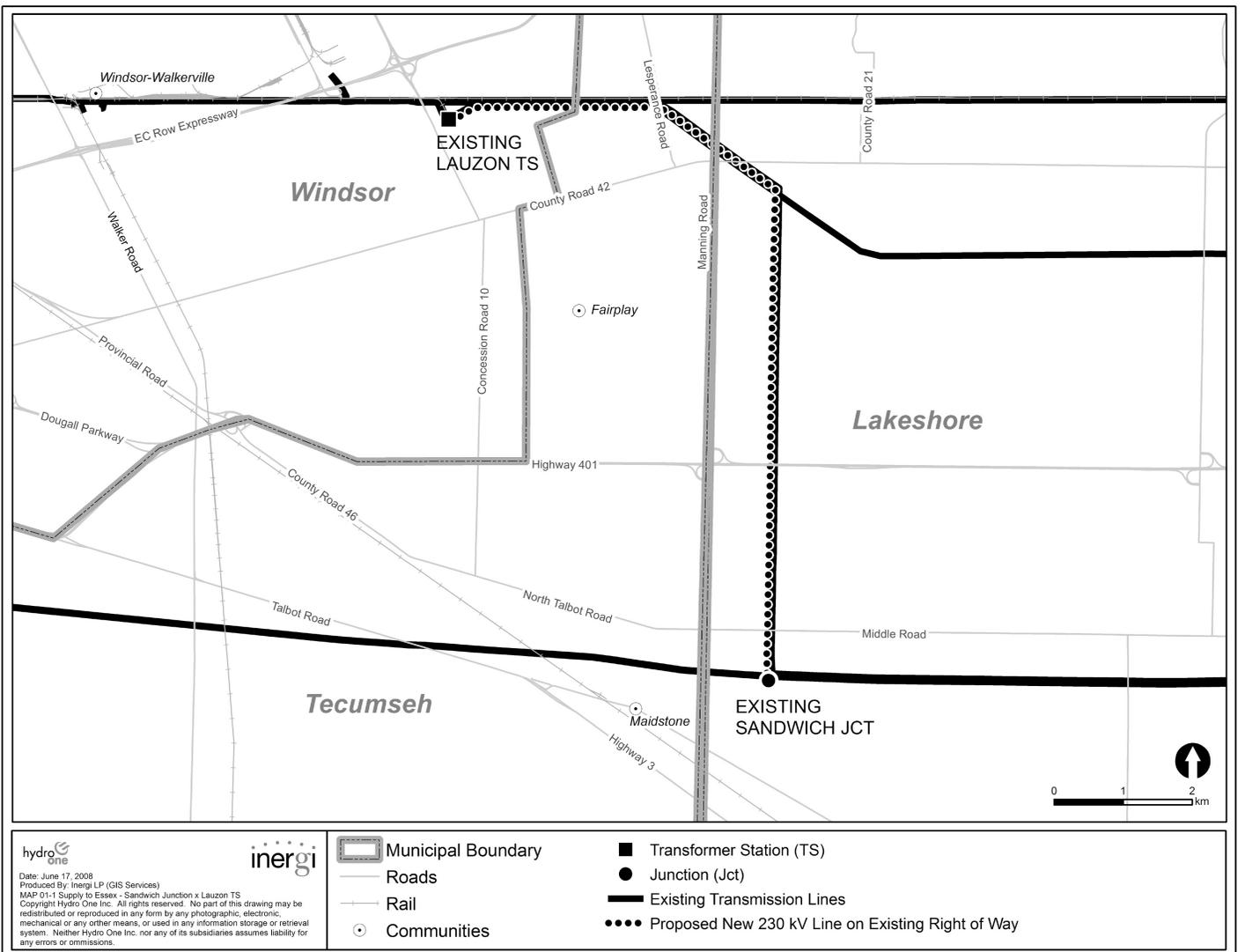


Partners in Powerful Communities

**Map 1: Study Areas for New Transmission Facilities: Leamington / Lakeshore**



**Map 2: Proposed New Transmission Line: Sandwich JCT to Lauzon TS**



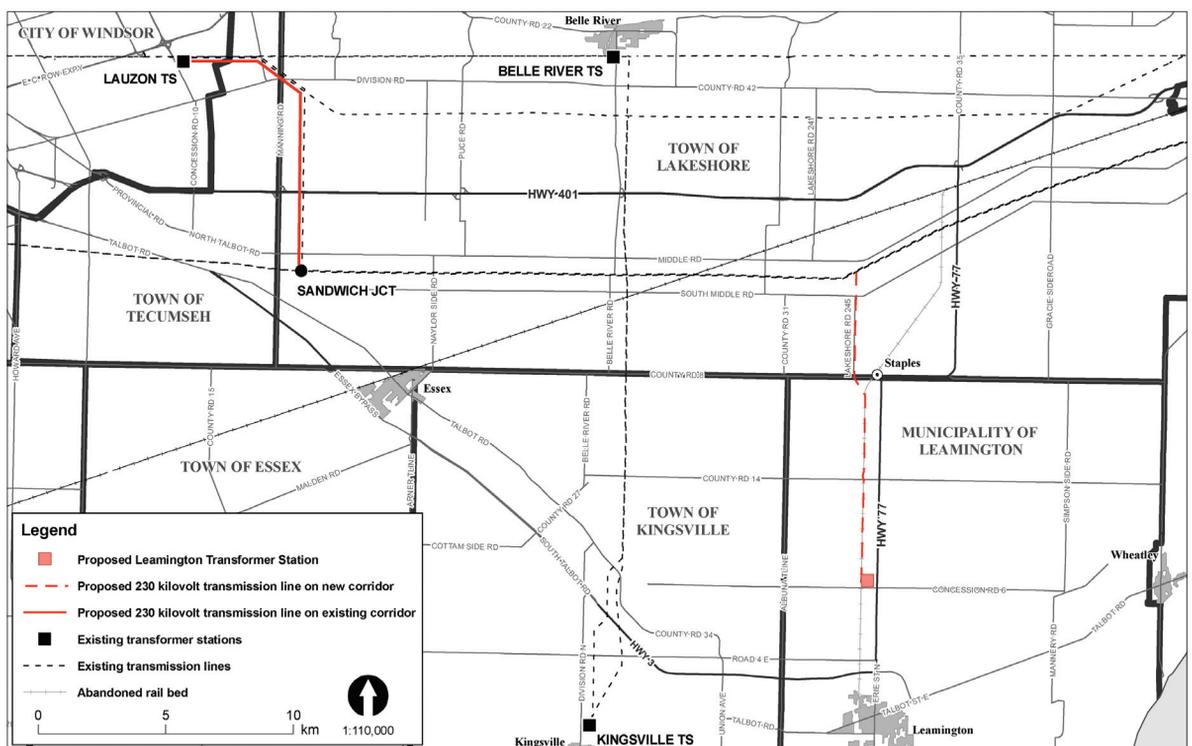
# Project Update and Notice of Public Information Centre #3 – Leamington

## Supply to Essex County Class Environmental Assessment (EA)

Filed: 2014-01-22  
EB-2013-0421  
Exhibit B-6-5  
Attachment 6  
Page 1 of 1

Hydro One is nearing completion of the Class Environmental Assessment (EA) to reinforce the electricity transmission system in Essex County. The following new facilities (see map) are proposed to ensure an adequate and reliable supply of power for the future:

- a new transformer station in Leamington and a new double circuit 230 kilovolt (kV) transmission line on a new corridor to connect the station to the existing 230 kV line south of Hwy 401. Hydro One has identified its preferred site for the proposed Leamington Transformer Station and preferred transmission line route following analysis of technical, environmental and socio-economic factors, and public and stakeholder feedback; and
- an additional 230 kV line on the existing transmission corridor between Sandwich Junction and Lauzon Transformer Station.



### Public Information Centre #3 – Leamington

Public input is an important part of the EA process. Hydro One is holding a third public information centre to allow interested parties an opportunity to review display panels describing the project and maps of the preferred Leamington transformer station site and transmission line route. Hydro One representatives will be on hand to answer questions and collect feedback on the project.

**Thursday, July 16**

**4 p.m. to 8 p.m.**

**Lebanese Club**

**447 Hwy 77, Leamington**

### Next Steps

This fall, Hydro One will issue a draft Environmental Study Report (ESR) for a 30-day public and stakeholder review and comment period, as required by the Class EA process. An application will also be filed with the Ontario Energy Board (OEB) requesting "Leave to Construct" approval for the proposed facilities. Information on how interested parties may comment on the draft ESR and participate in the OEB review process for Hydro One's application will be advertised and also posted on the project website.

### For more information, contact:

Carrie-Lynn Ognibene, Hydro One Community Relations

Tel: 1-877-345-6799

Email: [Community.Relations@HydroOne.com](mailto:Community.Relations@HydroOne.com)

Website: [www.HydroOneNetworks.com/newprojects](http://www.HydroOneNetworks.com/newprojects)



Partners in Powerful Communities

# Hydro One invites you to Public Information Centre #3

## Supply to Essex County Class Environmental Assessment (EA)



Filed: 2014-01-22

EB-2013-0421

Exhibit B-6-5

Partners in Powerful Communities

Attachment 7

Page 1 of 2

Dear Resident,

Hydro One invites you to our Public Information Centre (PIC) on July 16 at the Leamington Lebanese Club to review the proposed location for a new transformer station and preferred route for a new 230 kilovolt (kV) transmission line (see map on reverse). Drop in between 4 p.m. and 8 p.m. to learn more about the project and speak with our project team.

### What's being proposed?

New electricity transmission facilities are needed to ensure an adequate and reliable supply of electricity for customers in eastern Essex County. Based on Hydro One's analysis of technical, environmental and socio-economic factors, and public and stakeholder feedback, we are proposing:

- a new transformer station (Leamington TS) on the north side of Concession Road 6, just east of Leamington's utility corridor;

- a new double-circuit 230 kV transmission line on a new right-of-way to connect Leamington TS to the existing transmission lines near Hwy 401. The preferred route presented as Alternative A at PIC #2 last summer, would parallel the municipal utility corridor until just south of Staples. It would then divert to the west, and continue north along the east side of Lakeshore Road 245. Some property easement rights would be required.

### For more information, please contact:

Carrie-Lynn Ognibene, Hydro One Community Relations

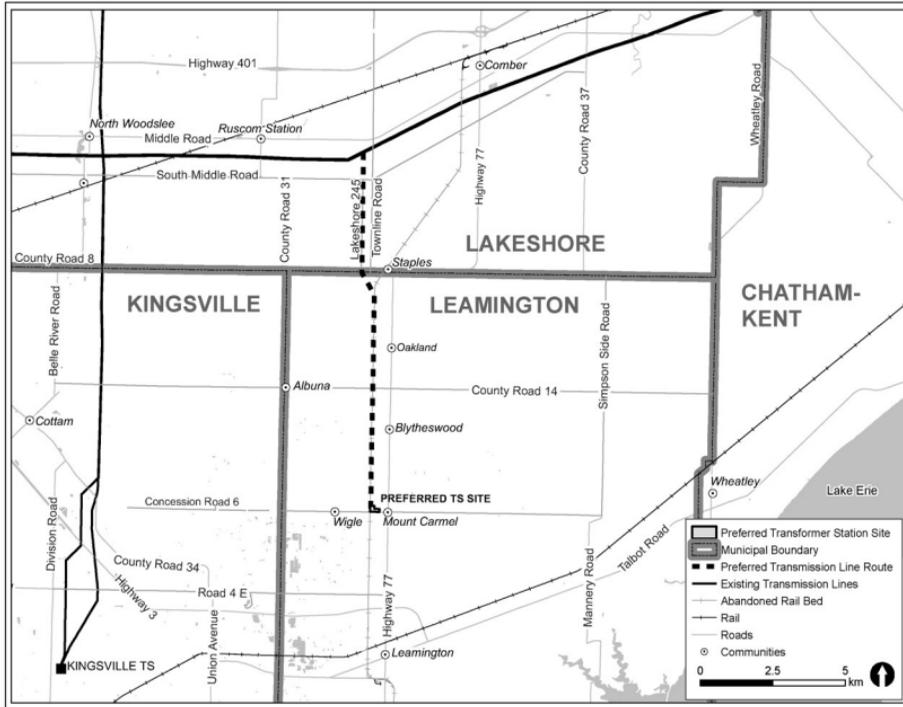
Tel: 1-877-345-6799

Email: [Community.Relations@HydroOne.com](mailto:Community.Relations@HydroOne.com)

Website: [www.HydroOneNetworks.com/newprojects](http://www.HydroOneNetworks.com/newprojects)



## Proposed site for new Leamington Transformer Station and preferred route for new transmission line



**You're invited to  
Public Information Centre #3**  
Supply to Essex County Class EA

**Thursday, July 16, 2009  
4 p.m. – 8 p.m.  
Lebanese Club  
447 Hwy 77, Leamington**



Partners in Powerful Communities

## COMMENT FORM

### Supply to Essex County Public Information Centres April 16, 17, and 22, 2008

THANK YOU for attending Hydro One's Public Information Centre to discuss the plans for the reinforcements to the electricity transmission facilities in your area. Please take a moment to answer a few questions and note your thoughts, comments or questions below.

Please specify how you heard about the Public Information Centre:

Newspaper Ad

Flyer delivered to your home

Hydro One Website

Other \_\_\_\_\_

Were the information displays and maps helpful in explaining the project? Yes / No

How could they be improved? \_\_\_\_\_

Were Hydro One & Ontario Power Authority employees able to adequately answer your questions? Yes / No

Which transmission alternative to improve the supply to Essex County do you prefer?

Alternative 1 (*Woodslee area to Kingsville Transformer Station*)

Alternative 2 (*Leamington area and Sandwich Junction to Lauzon Transformer Station*)

Why do you prefer this alternative? \_\_\_\_\_

Please check here if you would like to be on the mailing list for this project and provide your contact information below.

Name: \_\_\_\_\_

Mailing Address & Postal Code: \_\_\_\_\_

Email: \_\_\_\_\_

**Please give your comment form to one of Hydro One's representatives at the Public Information Centre, or send your comments to:**

Michelle Symeonides  
Hydro One Networks Inc.  
483 Bay Street, 8<sup>th</sup> Floor, South Tower  
Toronto, Ontario M5G 2P5  
Tel. (416) 345-6799; Fax: 416-345-6984  
Email: [Community.Relations@HydroOne.com](mailto:Community.Relations@HydroOne.com)

Please note any questions, comments, or concerns you may have regarding the information presented to you today on the reverse side of this form.



# Notice of Completion of the Draft Environmental Study Report Supply to Essex County Transmission Reinforcement

Hydro One Networks Inc. (Hydro One) has completed the draft Environmental Study Report for the Supply to Essex County Transmission Reinforcement Project. Based on an analysis of technical, environmental and socio-economic factors, and public and stakeholder feedback, Hydro One is proposing the staged construction of the following new transmission facilities (see map) to reinforce the electricity transmission system in Essex County and ensure an adequate and reliable supply of power for the future:

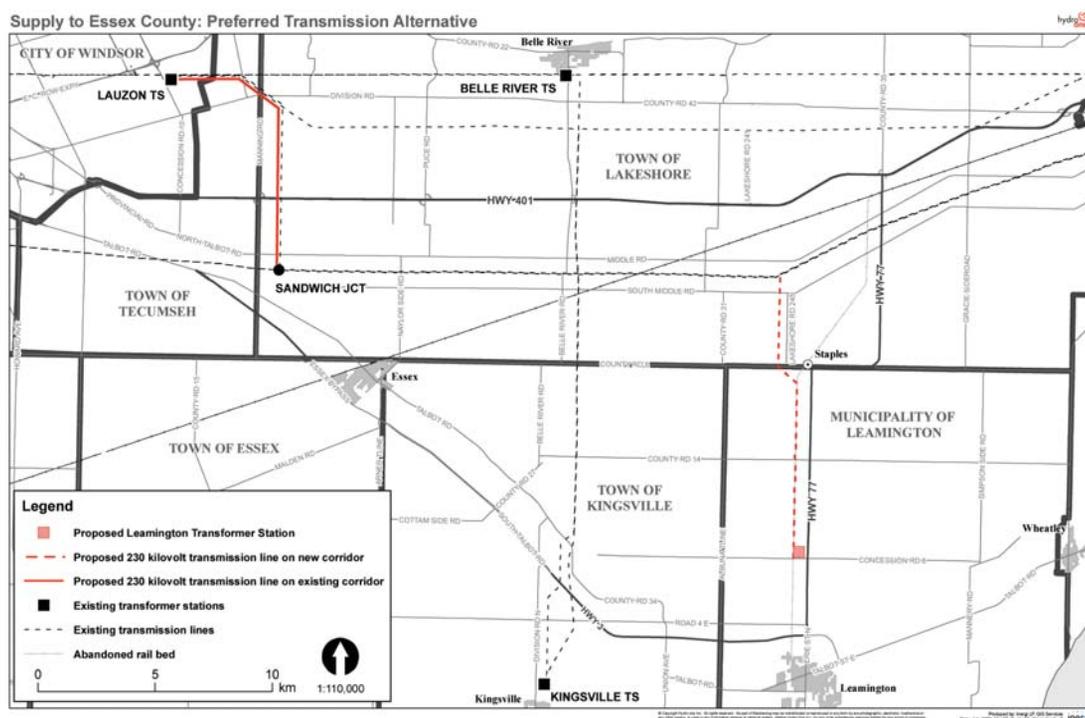
- Stage 1: a new transformer station (TS) on Concession Road 6 in the Municipality of Leamington and a new double circuit 230 kilovolt (kV) transmission line on a new corridor to connect the station to the existing 230 kV lines south of Highway 401 in the Town of Lakeshore; and
- Stage 2: an additional double circuit 230 kV transmission line on the existing transmission corridor between Sandwich Junction and Lauzon TS in the City of Windsor.

This study was conducted in accordance with the *Class Environmental Assessment for Minor Transmission Facilities*, approved under the provincial *Environmental Assessment Act*. Construction of the proposed facilities is also subject to Section 92 of the *Ontario Energy Board Act, 1998*. Hydro One is planning to submit an application to the Ontario Energy Board later this year seeking approval to construct the first stage of this project, with a targeted in-service date of 2013 for the Leamington TS and connector line.

## How to Submit Your Input

In accordance with the Class Environmental Assessment process, Hydro One is making the draft Environmental Study Report (ESR) available for public review and comment for 30 days, from February 11, 2010 to March 12, 2010. The draft ESR can be viewed or downloaded from Hydro One's website: [www.HydroOne.com/projects](http://www.HydroOne.com/projects). A copy of the draft ESR is available in the Clerk's department at the following municipal offices, and at the public libraries listed below.

Municipality of Leamington 38 Erie Street North Tel: 519-326-5761	Leamington Library 1 John Street Tel: 519-326-3441
Town of Lakeshore 419 Notre Dame Street Belle River Tel: 519-728-2700	Tecumseh Library 13675 St. Gregory's Road Tel: 519-735-3670
Town of Tecumseh 917 Lesperance Road Tel: 519-735-2184	Forest Glade – Optimist Library 3211 Forest Glade Drive Windsor Tel: 519-255-6770
Comber Library 6400 Main Street Tel: 519-687-2832	Woodslee Library 1925 South Middle Road Tel: 519-975-2433
Kingsville Library 28 Division Street South Tel: 519-733-5620	



Written questions or comments on the draft ESR must be received by Hydro One no later than 4:30 p.m. E.S.T. on Friday, March 12, 2010. Please address correspondence to:

Patricia Staite, Environmental Planner  
 Hydro One Networks Inc.  
 483 Bay Street, South Tower, 4<sup>th</sup> Floor  
 Toronto, ON M5G 2P5  
 Email: [patricia.staite@HydroOne.com](mailto:patricia.staite@HydroOne.com)  
 Tel: 1-877-345-6799; Fax: 416-345-6919

Hydro One will respond to and make best efforts to resolve any issues raised by concerned parties during the public review period. If no concerns are expressed, the ESR will be finalized and filed with the Ministry of the Environment. The project will be considered acceptable and will proceed as outlined in the draft ESR.

The *Environmental Assessment Act* has provisions that allow interested parties to ask for a higher level of assessment for a Class EA project if they feel that outstanding issues have not been adequately addressed by Hydro One. This higher level of assessment is referred to as a Part II Order request. Such requests must be addressed in writing to the Minister of the Environment and received no later than 4:30 p.m. E.S.T. on March 12, 2010, at the following address:

Ministry of the Environment  
 135 St. Clair Avenue West, 12<sup>th</sup> Floor  
 Toronto, ON M4V 1P5

Please note that a duplicate copy of a Part II Order request must also be sent to Hydro One at the address noted above.

Ministry of  
the Environment

Office of the Minister

77 Wellesley Street West  
11<sup>th</sup> Floor, Ferguson Block  
Toronto ON M7A 2T5  
Tel.: 416 314-6790  
Fax: 416 314-6748

Ministère de  
l'Environnement

Bureau du ministre

77, rue Wellesley Ouest  
11<sup>e</sup> étage, édifice Ferguson  
Toronto ON M7A 2T5  
Tél. : 416 314-6790  
Téléc. : 416 314-6748



ENV1283MC-2010-1370

MAY 18 2010

Ms. Patricia Static  
Hydro One Networks Inc.  
Environmental Planner  
483 Bay Street, South Tower, 4<sup>th</sup> Floor  
Toronto ON M5G 2P5

Dear Ms. Static:

On February 23 and 24, 2010, I received two requests from members of the public that Hydro One Networks Inc. (Hydro One) be required to prepare an individual environmental assessment (EA) for the proposed Supply to Essex County Transmission Reinforcement Project (Project).

I am taking this opportunity to inform you that I have decided that an individual EA is not required. This decision was made after giving careful consideration to the issues raised in the request, the Project documentation, the provisions of the Class Environmental Assessment for Minor Transmission Facilities (Class EA), and other relevant matters required to be considered under subsection 16(4) of the *Environmental Assessment Act* (EAA). The reasons for my decision may be found in the attached letters to the requesters.

With this decision having been made, Hydro One may now proceed with the Project, subject to any other permits or approvals required. Hydro One must implement the Project in the manner it was developed and designed, as set out in the Draft Environmental Study Report (ESR) and inclusive of all mitigating measures and environmental and other provisions therein. In accordance with the Class EA, any commitments made to affected agencies or members of the public must be fulfilled and implemented as part of the proposed project.

Ms. Patricia Statie

Page 2.

Lastly, I would like to ensure that Hydro One understands that failure to comply with the EAA, the provisions of the Class EA, and failure to implement the Project in the manner described in the Draft ESR, are contraventions of the EAA and may result in prosecution under section 38 of the Act. I am confident that Hydro One recognizes the importance and value of the EAA and will ensure that its requirements and those of the Class EA are satisfied.

Sincerely,

A handwritten signature in black ink, appearing to read 'John Gerretsen', written over a faint, illegible typed name.

John Gerretsen  
Minister of the Environment

c: EA File: 06-07 Supply to Essex County Transmission Reinforcement Project  
(Hydro One)

[www.HydroOne.com](http://www.HydroOne.com)

December 10, 2013

Mayor John Paterson  
and Members of Council  
Municipality of Leamington  
Leamington, ON  
N8H 2Z9

**VIA EMAIL**

Dear Mayor Paterson & Council:

**Hydro One to seek approval to build Leamington Transformer Station (TS)**

I am writing to update you on the status of Hydro One's Supply to Essex County Transmission Reinforcement Project. Hydro One completed the Environmental Assessment for this project in 2010 following an extensive consultation process. Due to economic conditions at that time, Hydro One decided to defer seeking Ontario Energy Board (OEB) approval to build the project until the Ontario Power Authority (OPA) had an opportunity to further review the long-term electricity needs of the Windsor-Essex area.

The OPA, in its regional supply planning discussions with Hydro One and the local distribution companies (LDCs) in Essex County, has determined that new transmission facilities are needed in the Kingsville/Leamington area to address future growth in electricity demand and anticipated expansion in the local agricultural sector. The new facilities would also contribute to improved reliability of electricity supply in the broader Windsor-Essex region.

As noted in Ontario's updated Long-Term Energy Plan, *Achieving Balance*, released on December 2, 2013, Hydro One has resumed planning for the Leamington TS and associated connector line. Hydro One intends to file a "Leave to Construct" application with the OEB early in 2014 seeking approval under Section 92 of the *Ontario Energy Board Act, 1998* to construct the facilities shown on the attached map. The project would include: a new transformer station on Hydro One-owned property on Mersea Road 6 adjacent to the municipal utility corridor in the Municipality of Leamington; and a new 13-kilometre double circuit 230 kilovolt (kV) transmission line on a new corridor to connect the station to the existing 230 kV transmission line south of Highway 401 in the Town of Lakeshore. Cost recovery for the transmission expansion will also be established during the approvals process.

As with the environmental assessment process, the OEB's review of Hydro One's "Leave to Construct" application will include opportunities for public involvement, in this case through a formal hearing process. Hydro One will be communicating with local stakeholders and potentially-affected property owners in the coming weeks to inform them of our intent to seek approval to construct these facilities.

Following receipt of Hydro One's application, the OEB will issue a *Notice of Application and Hearing* which will outline the process for those who wish to be involved in the public hearing. Hydro One will publish the Notice in local and regional newspapers and send it to all project stakeholders, potentially-affected property owners and interested parties.

LDCs in the Windsor-Essex area support this project. We'd appreciate if Council would also communicate its support for this project by way of a letter which we would include with our application to the OEB. The letter may be addressed to Mike Penstone, Vice-President, Network Development & Regional Planning, Hydro One Networks Inc., and sent electronically via [Community.Relations@HydroOne.com](mailto:Community.Relations@HydroOne.com).

In the interim, background information including the final Environmental Study Report for this project can be viewed on Hydro One's website at [www.HydroOne.com/Projects](http://www.HydroOne.com/Projects). If you have any questions or wish to request a meeting with Hydro One representatives, please don't hesitate to contact me at 416-345-5130.

Sincerely,

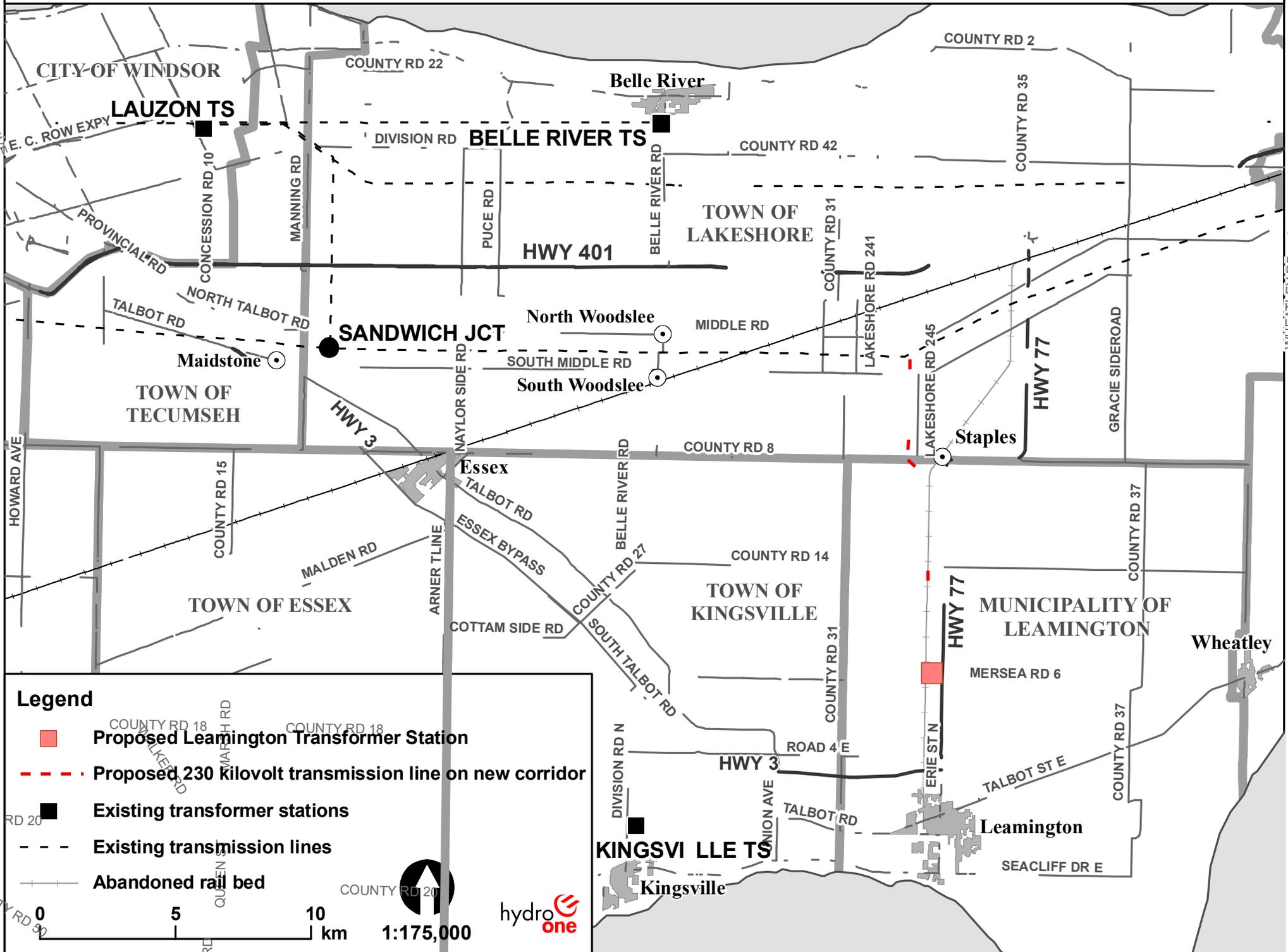


Carrie-Lynn Ognibene  
Sr. Advisor, Corporate Relations

Attachment

cc Mr. Bill Marck, Chief Administrative Officer  
Ms. Kim Siddall, Manager of Corporate Services & Clerk  
Ms. Tracey Pillon-Abbs, Director, Development Services

# Location of Proposed Leamington TS and Connector Line





January 21, 2014

<Owner name(s)>  
<Address Line 1>  
<Address Line 2>

Dear <Property Owner/Property Owners>:

**Supply to Essex County Transmission Reinforcement Project**  
**Property Reference: <Legal Description>**

This week, Hydro One Networks Inc. (Hydro One) will file an application with the Ontario Energy Board (OEB) seeking approval to construct a new transmission line in your area. The proposed 13-kilometre double circuit 230 kilovolt (kV) transmission line would be located on a new right-of way, as shown on the attached map. The line is needed to connect a new transformer station Hydro One is proposing to build on its property on Mersea Road 6 in the Municipality of Leamington with the existing 230 kV transmission line located south of Hwy 401 in the Town of Lakeshore. We are writing to you because the proposed transmission line route will likely affect your property.

**Why is this project needed?**

The proposed transformer station and connector line would address future growth in electricity demand and anticipated expansion in the local agricultural sector. They would also improve the reliability of electricity supply in the broader Windsor-Essex region. The need for the proposed facilities has been identified by the Ontario Power Authority in consultation with Hydro One and local distribution companies in the Windsor-Essex region. Ontario's updated Long-Term Energy Plan released in December 2013 also includes this project.

**How would my property be affected?**

If approved by the OEB, the proposed 13-kilometre transmission line would require a right-of-way width of approximately 130 feet (40 m). The standard lattice steel towers for this type of transmission line are approximately 120 feet (37 m) tall with a base footprint of 20 feet x 20 feet (6 m x 6m), and they would be located approximately 750 feet (300 m) apart. Hydro One will therefore need to acquire new property rights from private property owners along the transmission line route. Later this year, Hydro One will set up a property owner information session to discuss our land acquisition principles and practices.

### **How was the transmission line route determined?**

The route for the transmission line was identified following an analysis of alternative routes and input from the community during the Class Environmental Assessment (EA) process conducted from 2008 to 2010. Hydro One held three series of public information centres in 2008 and 2009 to discuss the project with members of the community. A number of landowners in the Staples area also attended a workshop in October 2009 to review and provide input on alternative routes for the proposed transmission line. Hydro One submitted a final Environmental Study Report to the Ministry of the Environment in July 2010 to complete the Class EA process.

### **When would construction begin?**

The OEB review of Hydro One's "Leave to Construct" application and the associated public hearing process could take six months to a year. We anticipate construction could begin in Spring 2015. Detailed engineering would begin following OEB approval.

### **How can I provide my input?**

The OEB's review of Hydro One's "Leave to Construct" application includes opportunities for public involvement in the hearing process. The OEB is responsible for ensuring that the new transmission line is in the public interest and will consider the impacts upon consumers with respect to prices, as well as matters that concern the reliability and quality of electricity service.

Within the coming weeks the OEB will issue a *Notice of Application and Hearing* which will outline the process for participating in the public hearing. Hydro One will publish the Notice in local and regional newspapers and will mail it directly to you.

### **Working with You**

We are committed to keeping you informed of the status of this project. Upon project approval, we look forward to working closely with you to discuss property matters and to determine how construction of the transmission line can be scheduled to minimize disruption to you and your family.

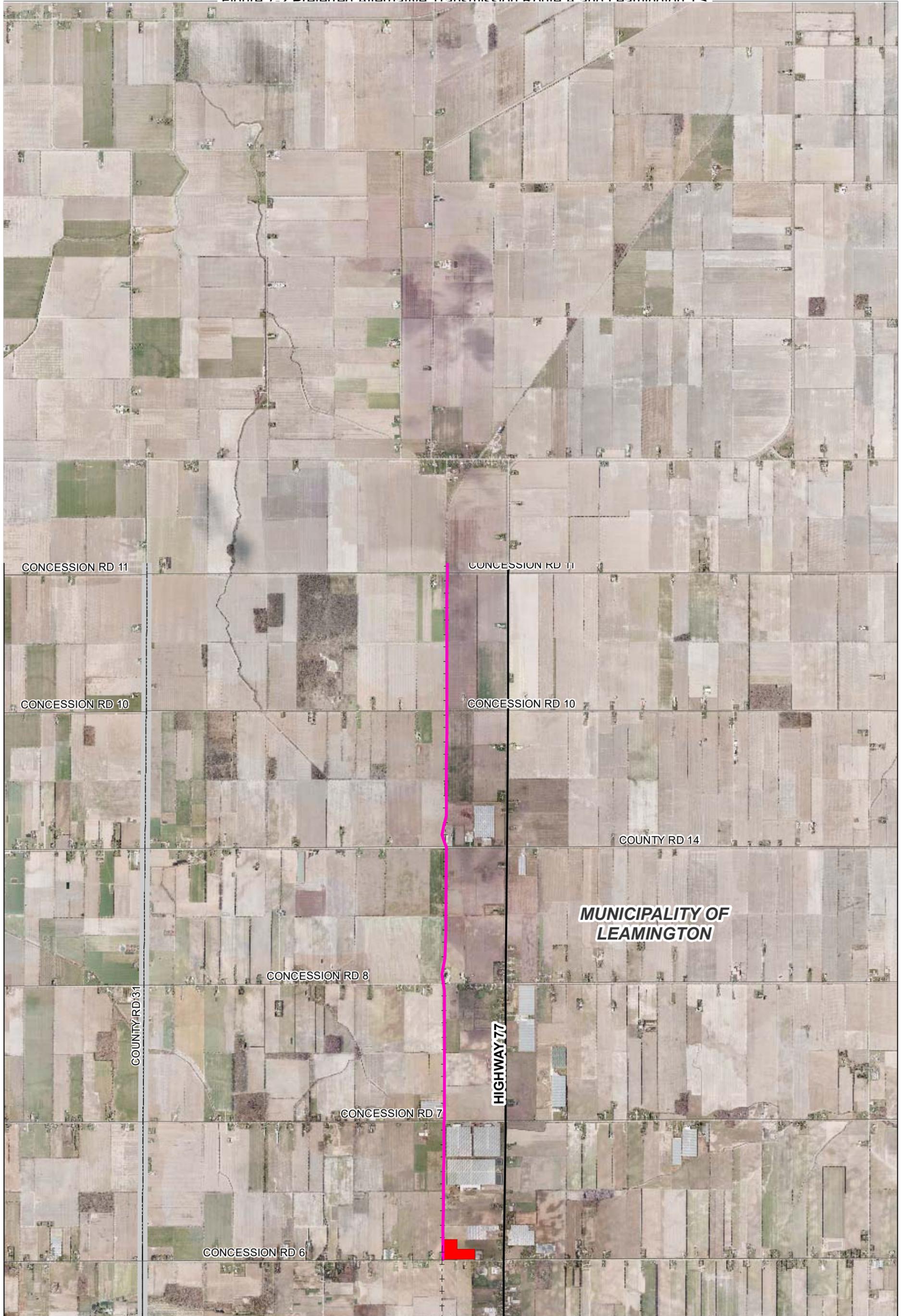
In the interim, please visit [www.HydroOne.com/Projects](http://www.HydroOne.com/Projects) (under Supply to Essex County) for more information and to view the Environmental Study Report (July 2010) and Hydro One's "Leave to Construct" application. Please direct any questions or comments you may have to Hydro One Community Relations at 1-877-345-6799; or by email to: [Community.Relations@HydroOne.com](mailto:Community.Relations@HydroOne.com).

Sincerely,

Randy Church  
 Manager, Project Development and Oversight  
 Hydro One Networks Inc.

Attachment (map)

Figure 7.2 Preferred Alternative Transmission Route A and Leamington TS



Date: November 2009  
 Produced By: Inergi LP (GIS Services)  
 Map07-41\_11x17\_PreferredAlternative\_v2

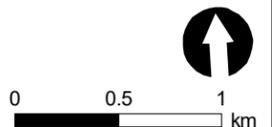
Copyright Hydro One Networks Inc. All rights reserved. No part of this drawing may be redistributed or reproduced in any form by any photographic, electronic, mechanical or any other means, or used in any information storage or retrieval system. Neither Hydro One Networks Inc. nor any of its affiliates assumes liability for any errors or omissions.  
 NOT TO BE REPRODUCED OR REDISTRIBUTED CONFIDENTIAL TO HYDRO ONE NETWORKS INC.

**Transmission Lines**

-  230 kV
-  115 kV

-  Municipal Boundary
-  Water
-  Abandoned rail bed
-  Highway
-  Major Road

-  Alternative Route A
-  Preferred TS Site



## FIRST NATIONS & MÉTIS ENGAGEMENT

### 1.0 INTRODUCTION

Hydro One recognizes the importance of early engagement with First Nations and Métis communities regarding the Supply to Essex County Transmission Reinforcement Project (“SECTR Project”). The following sets out Hydro One’s process for engaging with First Nations and Métis communities who may have an interest in, or may be potentially affected by, the SECTR Project.

### 2.0 IDENTIFICATION OF FIRST NATIONS & MÉTIS COMMUNITIES

On February 22, 2008, Hydro One sent a letter including a Project Study Area Map to the Ontario Ministry of Aboriginal Affairs and Indian and Northern Affairs Canada (now known as Aboriginal Affairs and Northern Development Canada) requesting input on First Nations and/or Métis communities with potential interests in or who may be potentially affected by the SECTR Project. In a letter to Hydro One dated March 18, 2008, Indian and Northern Affairs Canada determined that Specific Claims have been submitted by Caldwell First Nation, Walpole Island First Nation, Chippewas of Kettle and Stony Point, Chippewas of the Thames First Nation, Oneida Nation of the Thames, Munsee-Delaware Nation, and Moravian of the Thames First Nation. In addition, they recommended that Hydro One apprise Aamjiwnaang First Nation of the SECTR Project. In a letter to Hydro One dated April 7, 2008, the Ontario Ministry of Aboriginal Affairs advised that “the project did not appear to be located in an area where First Nations may have existing or asserted rights that could be impacted by the Project”. Please refer to **Exhibit B, Tab 6, Schedule 6, Attachment 1** for copies of the above communications.

On October 09, 2013 Hydro One sent a letter including a Project Study Area Map to the Ontario Ministry of Energy indicating that Hydro One would be re-commencing work on

1 the SECTR Project. In this letter, Hydro One indicated that it intends to re-notify the  
2 following communities; Caldwell First Nation, Walpole First Nation, Chippewas of  
3 Kettle and Stony Point First Nation, Chippewas of the Thames First Nation, Oneida  
4 Nations of the Thames, Munsee-Delaware Nation, Moravian of the Thames First Nation  
5 and Aamjiwnaang First Nation of project re-commencement. In addition Hydro One  
6 requested that the Ontario Ministry of Energy advise of additional First Nations interests  
7 that may occur within the general vicinity of the SECTR Project area. Please refer to  
8 **Exhibit B, Tab 6, Schedule 6, Attachment 2** for a copy of this letter.

9  
10 On November 04, 2013 the Ontario Ministry of Energy provided a response to Hydro  
11 One advising that they concur with Hydro One's intentions to re-notify the list of  
12 communities provided by Hydro One on October 09, 2013. The Ministry of Energy  
13 recommended that Hydro One offer to meet with communities to discuss the proposed  
14 project, learn more about the leave-to-construct process, and to share any concerns or  
15 interest that they may have regarding the project. Please refer to **Exhibit B, Tab 6,**  
16 **Schedule 6, Attachment 3** for a copy of this letter.

### 17 18 **3.0 ENGAGEMENT PROCESS FOR FIRST NATIONS & MÉTIS** 19 **COMMUNITIES**

20  
21 Hydro One's First Nations and Métis engagement process is designed to provide relevant  
22 project information to neighbouring First Nations and Métis communities in a timely  
23 manner and for Hydro One to respond to and consider issues, concerns or questions  
24 raised by First Nations and Métis communities in a clear and transparent manner  
25 throughout the regulatory review processes (e.g., the Environmental Assessment ("EA")  
26 and OEB processes). Engagement activities with potentially impacted First Nations and  
27 Métis communities included:

- 1 • Providing SECTR Project-related information to neighbouring First Nations and  
2 Métis communities including, project notification letters which describe the need and  
3 nature of the project. Ensuring that all publicly available information is also made  
4 available to these communities;
- 5 • Offering meetings with the First Nations and Métis communities to provide SECTR  
6 Project-related information, to identify concerns, issues or questions about the  
7 SECTR Project, and respond to questions and wherever possible, address concerns, in  
8 relation to the SECTR Project;
- 9 • Providing information, when requested, on the OEB's regulatory process, the EA  
10 process or any other decision-making processes applicable to the SECTR Project;
- 11 • Giving consideration to all issues and concerns raised by the First Nations and Métis  
12 communities as to how the SECTR Project may affect them;
- 13 • Recording all forms of engagement with the First Nations and Métis communities,  
14 maintaining a record of the concerns and issues raised by the First Nations and Métis  
15 communities regarding the SECTR Project and Hydro One's responses thereto, and  
16 communicating the same with the Ministry of Energy.

#### 17

#### 18 **4.0 ENGAGEMENT TO DATE WITH FIRST NATIONS COMMUNITIES**

19

20 Please refer to **Exhibit B, Tab 6, Schedule 6, Attachment 4** for a description of Hydro  
21 One's engagement activities with First Nations.

#### 22

#### 23 **5.0 SUMMARY**

24

25 Hydro One is prepared to continue engagement efforts with these First Nations relating to  
26 the SECTR Project. To date, no major issues have been raised. Concerns raised by  
27 Caldwell First Nation and Hydro One's response are summarized in **Exhibit B, Tab 6,**

Filed: 2014-01-22

EB-2013-0421

Exhibit B

Tab 6

Schedule 6

Page 4 of 4

- 1 **Schedule 6, Attachment 4.** Hydro One will work to resolve any issues or concerns in
- 2 the event that anything should arise.

**Hydro One Networks Inc.**  
483 Bay Street TCT12  
Toronto, ON M5G1X6  
mccormick.bj@hydroone.com

Tel: 416-345-6597  
Fax: 416-345-6919  
Cell: 416-525-1051

Filed: 2014-01-22

EB-2013-0421

Exhibit B-6-6

Attachment 1

Page 1 of 16



**Brian McCormick**  
Manager, Environmental Services and Approvals

February 22, 2008

Mr. Fred Hosking  
Senior Claims Analyst  
Department of Indian and Northern Affairs  
Specific Claims Branch  
10 Wellington St. Room 1310  
Gatineau Quebec  
K1A 0H4

**RE: Supply to Essex County**  
**Class Environmental Assessment**

Dear Mr. Hosking:

Hydro One Networks Inc. (Hydro One) is about to begin a project which would result in reinforcements to the electrical infrastructure to better serve residents and businesses in Essex County. The Ontario Power Authority has identified that there is an inadequate power supply capacity to the eastern portion of Essex County. This project will address increased electricity demand resulting from economic growth and development in this area and provide a more reliable supply of power for future demand.

Hydro One is initiating a Class Environmental Assessment (Class EA) with two distinct alternatives that would involve the construction of a new transformer station (TS) and the construction or upgrade of transmission lines in Essex County. The alternatives are as follows:

**Alternative 1:** Construct a new transformer station and tap line north of the Town of Kingsville and upgrade the existing 115kV line from the new transformer station to Kingsville TS. This is shown on the attached map – Supply to Essex County: Study Area for Alternative 1.

**Alternative 2:** Construct a new transformer station in the Leamington area and a new 230 kV transmission line from the transformer station to the existing transmission line that runs east from Sandwich Jct. The area being studied for the new station and line is shown on the attached map – Supply to Essex County: Study Area for Alternative 2. This alternative also requires the construction of a new 230 kV transmission line from Lauzon TS to Sandwich Junction (Jct) parallel to the existing transmission line on the Hydro One owned right-of-way which is also shown on the map.

The proposed undertaking is subject to provincial Environmental Assessment (EA) Act approval in accordance with the Class EA for Minor Transmission Facilities. The Class EA will involve the identification and comparative evaluation of the two alternatives. The project is also subject to “Leave to Construct” approval from the Ontario Energy Board (OEB). Contingent on the outcome of the Class EA and the OEB approval processes, the new facilities could be placed in service as early as Spring 2011.

Hydro One recognizes the need to begin consultation in the preliminary stages of project planning and has initiated consultation with regional and municipal representatives and government agencies.

Our first series of Public Information Centres (PICs) is tentatively scheduled for April 2008. The PICs will provide the interested parties the opportunity to learn more about the project, provide their input on project options, and discuss any issues or concerns with our project team. We will advise you of the details of the PIC via an invitation letter closer to the date. For our records, please complete and return the attached **Fax Back Form** indicating the appropriate contact person.

We would like information on whether there are any Aboriginal Reserves, land claims, interests or treaties of which we should be aware. Inquiries have also been sent to two other people in INAC: Mr. Fanklin Roy, Director, Litigation Management and Resolution Branch and Ms. Louise Trepanier, Director, Comprehensive Claims Branch.

Thank you for assisting us in this matter. If you have any questions regarding this project please feel free to contact me at (416) 345-6597 or Patricia Staite at (416) 345-6686.

Sincerely,



Brian McCormick  
Manager, Environmental Services & Approvals

Cc. Lee Anne Cameron, Director, Aboriginal Affairs  
Att.

**Hydro One Networks Inc.**  
483 Bay Street TCT12  
Toronto, ON M5G1X6  
mccormick.bj@hydroone.com

Tel: 416-345-6597  
Fax: 416-345-6919  
Cell: 416-525-1051



**Brian McCormick**  
Manager, Environmental Services and Approvals

February 22, 2008

Ms. Louise Trepanier  
Director  
Department of Indian and Northern Affairs  
Claims East of Manitoba, Comprehensive Claims Branch  
10 Wellington St. Room 1310  
Gatineau Quebec  
K1A 0H4

**RE: Supply to Essex County**  
**Class Environmental Assessment**

Dear Ms. Trepanier:

Hydro One Networks Inc. (Hydro One) is about to begin a project which would result in reinforcements to the electrical infrastructure to better serve residents and businesses in Essex County. The Ontario Power Authority has identified that there is an inadequate power supply capacity to the eastern portion of Essex County. This project will address increased electricity demand resulting from economic growth and development in this area and provide a more reliable supply of power for future demand.

Hydro One is initiating a Class Environmental Assessment (Class EA) with two distinct alternatives that would involve the construction of a new transformer station (TS) and the construction or upgrade of transmission lines in Essex County. The alternatives are as follows:

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The proposed undertaking is subject to provincial Environmental Assessment (EA) Act approval in accordance with the Class EA for Minor Transmission Facilities. The Class EA will involve the identification and comparative evaluation of the two alternatives. The project is also subject to “Leave to Construct” approval from the Ontario Energy Board (OEB). Contingent on the outcome of the Class EA and the OEB approval processes, the new facilities could be placed in service as early as Spring 2011.

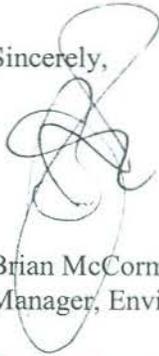
Hydro One recognizes the need to begin consultation in the preliminary stages of project planning and has initiated consultation with regional and municipal representatives and government agencies.

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We would like information on whether there are any Aboriginal Reserves, land claims, or treaties of which we should be aware. Inquiries have also been sent to two other people in INAC: Mr. Franklin Roy, Director, Litigation Management and Resolutions Branch and Mr. Fred Hosking, Senior Claims Analyst, Special Claims Branch.

Thank you for assisting us in this matter. If you have any questions regarding this project please feel free to contact me at (416) 345-6597, or Patricia Staite at (416) 345-6686.

Sincerely,



Brian McCormick  
Manager, Environmental Services & Approvals

Cc. Lee Anne Cameron, Director, Aboriginal Affairs

Att.

**Hydro One Networks Inc.**  
483 Bay Street TCT12  
Toronto, ON M5G1X6  
mccormick.bj@hydroone.com

Tel: 416-345-6597  
Fax: 416-345-6919  
Cell: 416-525-1051



**Brian McCormick**  
Manager, Environmental Services and Approvals

February 22, 2008

Mr. Franklin Roy  
Director  
Department of Indian and Northern Affairs  
Litigation Management and Resolution Branch  
10 Wellington St. Room 1310  
Gatineau Quebec  
K1A 0H4

**RE: Supply to Essex County**  
**Class Environmental Assessment**

Dear Mr. Roy:

Hydro One Networks Inc. (Hydro One) is about to begin a project which would result in reinforcements to the electrical infrastructure to better serve residents and businesses in Essex County. The Ontario Power Authority has identified that there is an inadequate power supply capacity to the eastern portion of Essex County. This project will address increased electricity demand resulting from economic growth and development in this area and provide a more reliable supply of power for future demand.

Hydro One is initiating a Class Environmental Assessment (Class EA) with two distinct alternatives that would involve the construction of a new transformer station (TS) and the construction or upgrade of transmission lines in Essex County. The alternatives are as follows:

**Alternative 1:** Construct a new transformer station and tap line north of the Town of Kingsville and upgrade the existing 115kV line from the new transformer station to Kingsville TS. This is shown on the attached map – Supply to Essex County: Study Area for Alternative 1.

**Alternative 2:** Construct a new transformer station in the Leamington area and a new 230 kV transmission line from the transformer station to the existing transmission line that runs east from Sandwich Jct. The area being studied for the new station and line is shown on the attached map – Supply to Essex County: Study Area for Alternative 2. This alternative also requires the construction of a new 230 kV transmission line from Lauzon TS to Sandwich Junction (Jct) parallel to the existing transmission line on the Hydro One owned right-of-way which is also shown on the map.

The proposed undertaking is subject to provincial Environmental Assessment (EA) Act approval in accordance with the Class EA for Minor Transmission Facilities. The Class EA will involve the identification and comparative evaluation of the two alternatives. The project is also subject to “Leave to Construct” approval from the Ontario Energy Board (OEB). Contingent on the outcome of the Class EA and the OEB approval processes, the new facilities could be placed in service as early as Spring 2011.

Hydro One recognizes the need to begin consultation in the preliminary stages of project planning and has initiated consultation with regional and municipal representatives and government agencies.

Our first series of Public Information Centres (PICs) is tentatively scheduled for April 2008. The PICs will provide the interested parties the opportunity to learn more about the project, provide their input on project options, and discuss any issues or concerns with our project team. We will advise you of the details of the PIC via an invitation letter closer to the date. For our records, please complete and return the attached **Fax Back Form** indicating the appropriate contact person.

We would like information on whether there are any Aboriginal Reserves, land claims, interests or treaties of which we should be aware. Inquiries have also been sent to two other people in INAC: Mr. Fanklin Roy, Director, Litigation Management and Resolution Branch and Ms. Louise Trepanier, Director, Comprehensive Claims Branch.

Thank you for assisting us in this matter. If you have any questions regarding this project please feel free to contact me at (416) 345-6597 or Patricia Staite at (416) 345-6686.

Sincerely,



Brian McCormick  
Manager, Environmental Services & Approvals

Cc. Lee Anne Cameron, Director, Aboriginal Affairs  
Att.

**Hydro One Networks Inc.**  
483 Bay Street TCT12  
Toronto, ON M5G1X6  
mccormick.bj@hydroone.com

Tel: 416-345-6597  
Fax: 416-345-6919  
Cell: 416-525-1051



**Brian McCormick**  
Manager, Environmental Services and Approvals

February 22, 2008

Mr. Alan Kary  
Deputy Director  
Ontario Ministry of Aboriginal Affairs  
Policy and Relationships Branch  
720 Bay Street 4th Floor  
Toronto Ontario  
M5G 2K1

**RE: Supply to Essex County**  
**Class Environmental Assessment**

Dear Mr. Kary:

Hydro One Networks Inc. (Hydro One) is about to begin a project which would result in reinforcements to the electrical infrastructure to better serve residents and businesses in Essex County. The Ontario Power Authority has identified that there is an inadequate power supply capacity to the eastern portion of Essex County. This project will address increased electricity demand resulting from economic growth and development in this area and provide a more reliable supply of power for future demand.

Hydro One is initiating a Class Environmental Assessment (Class EA) with two distinct alternatives that would involve the construction of a new transformer station (TS) and the construction or upgrade of transmission lines in Essex County. The alternatives are as follows:

**Alternative 1:** Construct a new transformer station and tap line north of the Town of Kingsville and upgrade the existing 115kV line from the new transformer station to Kingsville TS. This is shown on the attached map – Supply to Essex County: Study Area for Alternative 1.

**Alternative 2:** Construct a new transformer station in the Leamington area and a new 230 kV transmission line from the transformer station to the existing transmission line that runs east from Sandwich Jct. The area being studied for the new station and line is shown on the attached map – Supply to Essex County: Study Area for Alternative 2. This alternative also requires the construction of a new 230 kV transmission line from Lauzon TS to Sandwich Junction (Jct) parallel to the existing transmission line on the Hydro One owned right-of-way which is also shown on the map.

The proposed undertaking is subject to provincial Environmental Assessment (EA) Act approval in accordance with the Class EA for Minor Transmission Facilities. The Class EA will involve the identification and comparative evaluation of the two alternatives. The project is also subject to “Leave to Construct” approval from the Ontario Energy Board (OEB). Contingent on the outcome of the Class EA and the OEB approval processes, the new facilities could be placed in service as early as Spring 2011.

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We would like information on whether there are any Aboriginal Reserves, land claims, or treaties of which we should be aware. We have also contacted the Federal Ministry of Indian and Northern Affairs requesting similar information.

Thank you for assisting us in this matter. If you have any questions regarding this project please feel free to contact me at (416) 345-6597, or Patricia Staite at (416) 345-6686.

Sincerely,



Brian McCormick  
Manager, Environmental Services & Approvals

Cc. Lee Anne Cameron, Director, Aboriginal Affairs  
Att.

**Hydro One Networks Inc.**  
483 Bay Street TCT12  
Toronto, ON M5G1X6  
mccormick.bj@hydroone.com

Tel: 416-345-6597  
Fax: 416-345-6919  
Cell: 416-525-1051



**Brian McCormick**  
Manager, Environmental Services and Approvals

February 22, 2008

Mr. Surrinder Singh Gill  
Policy Advisor  
Ontario Ministry of Aboriginal Affairs  
Policy and Relationships Branch  
720 Bay Street 4th Floor  
Toronto Ontario  
M5G 2K1

**RE: Supply to Essex County**  
**Class Environmental Assessment**

Dear Mr. Gill:

Hydro One Networks Inc. (Hydro One) is about to begin a project which would result in reinforcements to the electrical infrastructure to better serve residents and businesses in Essex County. The Ontario Power Authority has identified that there is an inadequate power supply capacity to the eastern portion of Essex County. This project will address increased electricity demand resulting from economic growth and development in this area and provide a more reliable supply of power for future demand.

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The proposed undertaking is subject to provincial Environmental Assessment (EA) Act approval in accordance with the Class EA for Minor Transmission Facilities. The Class EA will involve the identification and comparative evaluation of the two alternatives. The project is also subject to “Leave to Construct” approval from the Ontario Energy Board (OEB). Contingent on the outcome of the Class EA and the OEB approval processes, the new facilities could be placed in service as early as Spring 2011.

Hydro One recognizes the need to begin consultation in the preliminary stages of project planning and has initiated consultation with regional and municipal representatives and government agencies.

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We would like information on whether there are any Aboriginal Reserves, land claims, or treaties of which we should be aware. We have also contacted the Federal Ministry of Indian and Northern Affairs requesting similar information.

Thank you for assisting us in this matter. If you have any questions regarding this project please feel free to contact me at (416) 345-6597, or Patricia Staite at (416) 345-6686.

Sincerely,



Brian McCormick  
Manager, Environmental Services & Approvals

Cc. Lee Anne Cameron, Director, Aboriginal Affairs  
Att.

Stakeholder and First Nation Consultation Comments  
Documentation

<b>SENES Project Reference #</b>	34862 – Supply to Essex Class EA		
<b>Contact Person</b>	Brian McCormick, Hydro One		
<b>Organization</b>	Indian and Northern Affairs Canada	<b>Dates of Contact</b>	March 10, 2008
<b>Contact's Name and Title</b>	Kevin Clement, A/ Director for Lynn Bernard, Director General, Comprehensive Claims Branch		
<b>Contact Mode</b>	√ Mail	Phone	E-mail In person
<b>Summary of Discussion</b>	 <p>Affaires indiennes et du Nord Canada Indian and Northern Affairs Canada</p> <p>March 10, 2008</p> <p>Brian McCormick Manager Environmental Services and Approvals Hydro One Networks Inc. 483 Bay Street, TCT13, North Tower TORONTO, ON M5G 2P5</p> <p>RE: Supply to Essex County Class Environmental Assessment</p> <p>Dear Mr. McCormick:</p> <p>I am responding to your request for information sent to the Comprehensive Claims Branch, by mail, on February 22, 2008.</p> <p>We can confirm that there are no comprehensive claims in Essex County, Ontario. We cannot make any comments regarding potential or future claims, or claims filed under other departmental policies. This includes claims under Canada's Specific Claims Policy or legal action by the First Nation against the Crown. For more information, I suggest you contact the Director General of Specific Claims Branch at (819) 994-2323 and the Director General of Litigation Management and Resolution Branch at (819) 997-3582.</p> <p>INAC- Comprehensive Claims Branch does not have any specific interest in the project and would request to be taken out of the mailing list.</p> <p>Yours truly,</p> <p>Kevin Clement, A/ Director for Lynn Bernard, Director General Comprehensive Claims Branch</p> <p>DISCLAIMER: In this Disclaimer, "Canada" means Her Majesty the Queen in right of Canada and the Minister of Indian Affairs and Northern Development and their servants and agents. Canada does not warrant or assume any legal liability or responsibility for the accuracy, completeness, or usefulness of any data or information disclosed with this correspondence or for any actions in reliance upon such data or information or on any statement contained in this correspondence. Data and information is based on information in departmental records and is disclosed for convenience of reference only. In accordance with the provisions of the <i>Access to Information Act</i> and the <i>Privacy Act</i>, confidential information has not been disclosed. Canada does not act as a representative for any Aboriginal group for the purpose of any claim. Information from other government sources and private sources (including Aboriginal groups) should be sought, to ensure that the information you have is accurate and complete.</p>		



MAR 18 2008

B 8260-12

Brian McCormick  
Manager, Environmental Services & Approvals  
Hydro One Networks Inc.  
483 Bay Street TCT12  
TORONTO ON M5G 1X6

Dear Mr. McCormick:

**Re: Supply to Essex County Class Environmental Assessment**

I am writing in response to your letter of February 22, 2008, inquiring as to whether there are any First Nations that may have an interest in the above noted study area.

We have conducted a brief search of our records and determined that some specific claims have been submitted in the area of interest. The claims for that area have been submitted by the following First Nations:

Caldwell First Nation  
10297 TALBOT ROAD, BLENHEIM ON N0P 1A0  
(519) 676-5499

Walpole Island First Nation  
RR 3, WALLACEBURG ON N8A 4K9  
(519) 627-1481

Chippewas of Kettle and Stony Point First Nation  
6247 INDIAN LANE, RR#2 FOREST ON N0N 1J0  
(519)786-2125

Chippewas of the Thames First Nation  
RR 1, MUNCEY ON N0L 1Y0  
(519) 289-5555

.../2

Oneida Nation of the Thames  
RR 2, SOUTHWOLD ON N0L 2G0  
(519) 652-3244

Munsee-Delaware Nation  
RR 1, MUNCEY ON N0L 1Y0  
(519) 289-5396

Moravian of the Thames First Nation  
RR 3, THAMESVILLE ON N0P 2K0  
(519) 692-3936

In addition, there is another First Nation in the general vicinity of your area of interest. You may wish to apprise them of your intentions.

Aamjiwnaang First Nation  
978 TASHMOO AVENUE, SARNIA ON N7T 7H5  
(519) 336-8410

For more information, you may wish to consult a "Public Information Status Report" on all claims which have been submitted to date. This information is available to the public on the Indian and Northern Affairs Canada (INAC) website and can be found at [http://www.ainc-inac.gc.ca/ps/clm/pis\\_e.html](http://www.ainc-inac.gc.ca/ps/clm/pis_e.html).

It should be noted that the reports available on the INAC website are updated quarterly and therefore, you may want to check this site at regular intervals for updates. In accordance with legislative requirements, confidential information has not been disclosed.

Please rest assured that it is the policy of the Government of Canada as expressed in *Outstanding Business: A Native Claims Policy* that "in any settlement of specific native claims the government will take third party interests into account. As a general rule, the government will not accept any settlement which will lead to third parties being dispossessed."

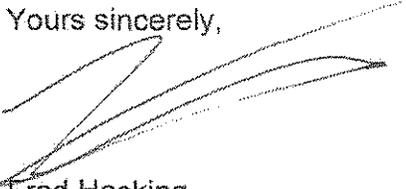
We can only speak directly to claims filed under the Specific Claims Policy in the Province of Ontario. We cannot make any comments regarding potential or future claims, or claims filed under other departmental policies. This includes claims under Canada's Comprehensive Claims Policy or legal action by a First Nation against the Crown. I note you have already contacted INAC's Comprehensive Claims Branch and Litigation Management and Resolution Branch. In addition, you may wish to consult the unit responsible for Special Claims at (819) 994-6453.

.../3

To the best of our knowledge, the information we have provided you is current and up-to-date. However, this information may not be exhaustive with regard to your needs and you may wish to consider seeking information from other government and private sources (including Aboriginal groups). In addition, please note that Canada does not act as a representative for any Aboriginal group for the purpose of any claim or the purpose of consultation.

I hope this information will be of assistance to you. I trust that this satisfactorily addresses your concerns. If you wish to discuss this matter further please contact me at (819) 953-1940.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Fred Hosking', written over a dotted line.

Fred Hosking  
Senior Claims Analyst  
Ontario Research Team  
Specific Claims Branch

Ministry of Aboriginal Affairs

720 Bay Street  
4<sup>th</sup> Floor  
Toronto, ON M5G 2K1

Tel: (416) 326-4741  
Fax: (416) 326-4017

Ministère des Affaires autochtones

720, rue Bay  
4<sup>e</sup> étage  
Toronto, ON M5G 2K1

Tél: (416) 326-4741  
Télé: (416) 326-4017



website: [www.aboriginalaffairs.gov.on.ca](http://www.aboriginalaffairs.gov.on.ca)

Reference: PAR 854  
0708-544

APR - 7 2008

Brian McCormick  
Manager, Environmental Services & Approvals  
Hydro One  
483 Bay Street TCT12  
Toronto, ON M5G 1X6

Re: Essex County Electrical Infrastructure

Dear Mr. McCormick:

Thank you for your notice dated February 22, 2008, regarding the above noted project.

The responsibilities of the Ministry of Aboriginal Affairs (MAA) include conducting land claim and related negotiations on behalf of the Province. MAA can provide you with information about land claims that have been submitted to the Ministry, are currently in active negotiations, or are in the process of implementing a settlement agreement. We can also advise as to whether there is any litigation with an Aboriginal community that may be impacted by your project.

You should also be aware that many First Nations either have or assert rights to hunt and fish in their traditional territories. These territories often include lands and waters outside of a First Nation's reserve. As well, in some instances project work may impact archaeological and burial sites. First Nations with an interest in such archaeological sites may extend beyond those First Nations in the nearest vicinity of the proposed project.

With respect to your project, we have reviewed the brief materials you have provided, and can advise that this project appears not to be located in an area where First Nations may have existing or asserted rights that could be impacted by your project.

.../2

MAA is not the approval or regulatory authority for your project. You should consider the information provided in this letter in light of the statutes and guidance materials provided by the appropriate approval or regulatory authority for consultation requirements with Aboriginal communities on a project such as you are proposing. Should you have questions on the process please contact the appropriate ministry.

The Government of Canada sometimes receives claims that Ontario does not receive, or with which Ontario does not become involved. For information about possible claims in the area, MAA recommends the proponent contact the following federal contacts:

Mr. Fred Hosking  
Senior Claims Analyst  
Ontario Research Team  
Indian and Northern Affairs Canada  
10 Wellington St.  
Gatineau, QC K1A 0H4  
Tel: (819) 953-1940  
Fax: (819) 997-9873

Mr. Kevin Clement  
A/Director,  
Financial Issues and Cost-Sharing  
Indian and Northern Affairs Canada  
10 Wellington St. 8<sup>th</sup> Floor  
Gatineau, QC K1A 0H4  
Tel: (819) 997-8369  
Fax: (819) 997-9147

For federal information on litigation contact:

Jonathan Allen  
Litigation Team Leader for Ontario  
1430-25 Eddy Street  
Gatineau, QC K1A 0H4  
Tel: (819) 956-3181  
Fax: (819) 953-6143

Yours truly,



Alan Kary  
Deputy Director  
Policy and Relationships Branch

**Hydro One Networks Inc.**  
483 Bay Street  
Toronto, Ontario M5G 2P5  
[www.HydroOne.com](http://www.HydroOne.com)  
[Ian.Jacobsen@HydroOne.com](mailto:Ian.Jacobsen@HydroOne.com)

Tel. No. 416-345-4360  
Fax. No. 416-345-6600

October 9, 2013

Amy Gibson  
Manager, First Nation and Métis Policy and Partnerships Office  
Ministry of Energy  
880 Bay Street, 3<sup>rd</sup> Floor  
Toronto, Ontario  
M7A 2C1

Dear Ms. Gibson:

RE: Supply to Essex County Transmission Reinforcement project:  
Leamington TS

Hydro One Networks Inc. (HONI) completed the Class Environmental Assessment for the Supply to Essex County Reinforcement Project in July 2010. This project is divided into two stages, with the first stage being the construction of a new 230 kilovolt (kV) to 27.6 kV transformer station in the Municipality of Leamington and associated double circuit 230 kV connection. The second stage is to construct a new double circuit 230 kV transmission line on the existing corridor between Lauzon Transformer Station and Sandwich Junction.

Hydro One is planning to file for "Leave to Construct" approval from the Ontario Energy Board (OEB) under Section 92 of the Ontario Energy Board Act (OEB Act) in December for the first stage (see the attached map).

In early 2008, as part of the First Nation and Métis consultation, HONI sent letters to the Ministry of Aboriginal Affairs (MAA) and Indian and Northern Affairs Canada (INAC) seeking their direction regarding First Nation and Métis interests within the vicinity of the project area. MAA advised that the project did not appear to be located in an area where First Nations may have existing or asserted rights that could be impacted by the project. INAC determined that there were no comprehensive claims in Essex County, Ontario. INAC-Comprehensive claims branch did not have any specific interest in the project and requested to be taken off the mailing list. In subsequent communication INAC confirmed the following First Nations have submitted specific claims in the study area of the project:

- Caldwell First Nation
- Walpole First Nation
- Chippewas of Kettle and Stony Point First Nation
- Chippewas of the Thames First Nation
- Oneida Nations of the Thames
- Munsee-Delaware Nation
- Moravian of the Thames First Nation
- Aamjiwnaang First Nation

All First Nation communities noted by INAC were sent a project notification letter, invitations to public information centers #1, #2, #3 and a Workshop. Follow-up phone calls were also made to the Chief or designated contact offering to meet and discuss the project. The Draft Environmental Study Report for the project was also sent. HONI intends to notify the same First Nation communities that we are filing for the Leave to Construct. If you are aware of other First Nation communities that may have interest in the Project area, please let us know.

We would be pleased to discuss this project with you if you would like more information. Should there be any update to the project information provided above, I will ensure you are promptly informed.

Sincerely,

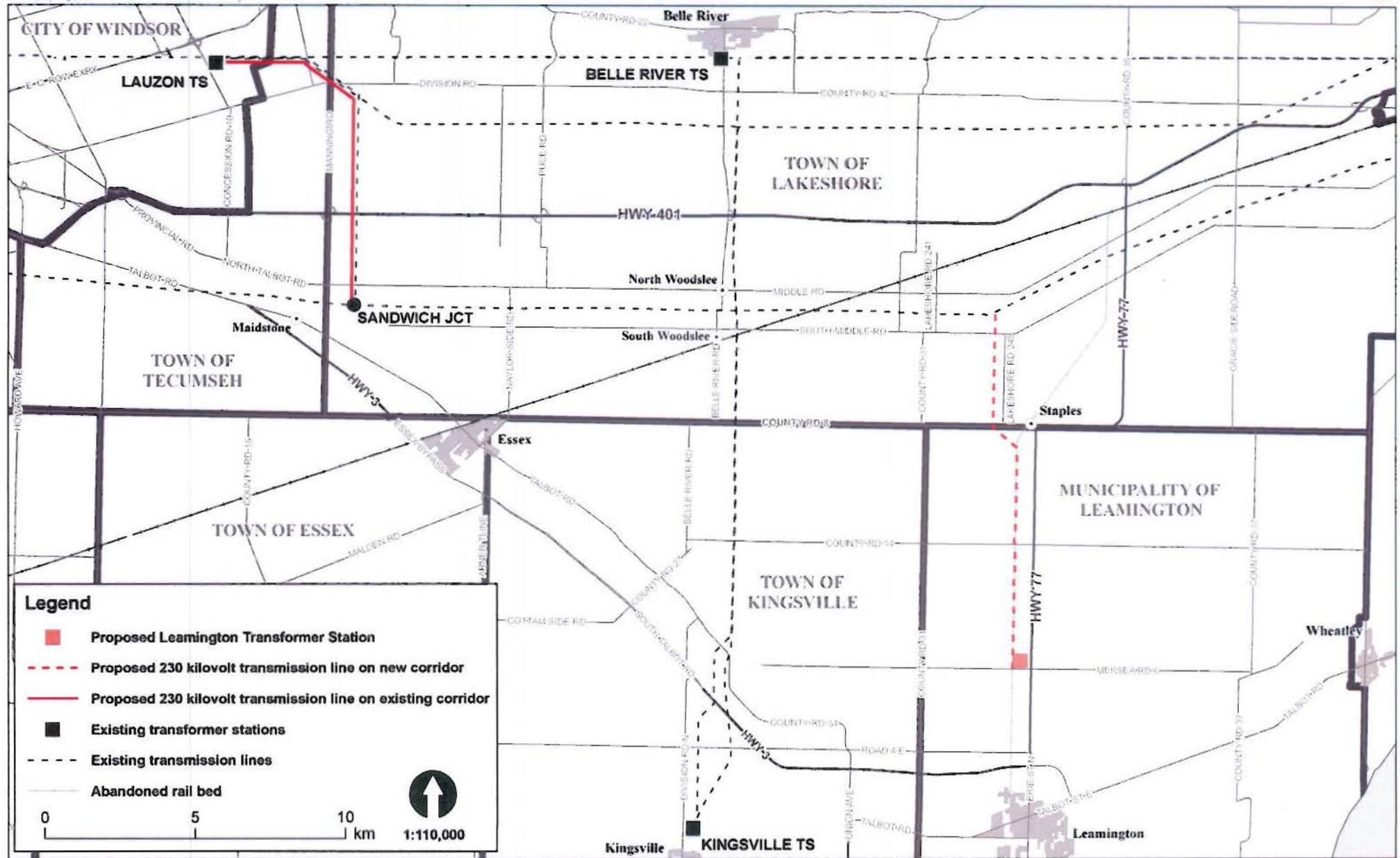


Ian Jacobsen  
Sr. Manager, First Nation and Métis Relations

c: Brian McCormick, Environmental Services & Approvals (Hydro One Networks Inc.)  
Heather Levesque, Manager Consultation Unit, Ministry of Aboriginal Affairs

Encl.

Figure 1-1 Project Location Map



**Legend**

- Proposed Leamington Transformer Station
- Proposed 230 kilovolt transmission line on new corridor
- Proposed 230 kilovolt transmission line on existing corridor
- Existing transformer stations
- Existing transmission lines
- Abandoned rail bed

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**Ministry of Energy**

880 Bay Street  
3<sup>rd</sup> Floor  
Toronto ON M7A 2C1

Tel: (416) 327-2116  
Fax: (416) 327-3344

**Ministère de l'Énergie**

880, rue Bay  
3<sup>e</sup> étage  
Toronto ON M7A 2C1

Tel: (416) 327-2116  
Télé: (416) 327-3344



**First Nation and Métis Policy and Partnerships Office**

November 4, 2013

Christine Goulais  
Senior Manager, First Nation and Métis Relations  
Hydro One Networks Inc.  
483 Bay Street, TCT5, South Tower  
Toronto, ON M5G 2P5

**Re: Supply to Essex County Transmission Reinforcement Project**

Dear Ms. Goulais:

Thank you for your October 9, 2013 letter to inform me about the Hydro One Network Inc. ("Hydro One") plans to file for a leave-to-construct approval to proceed with the Essex County Transmission Reinforcement project.

I understand from your letter that Hydro One has completed the necessary environmental assessment ("EA") work for this project in 2010 under the Class EA for Minor Transmission Facilities. I further understand that Hydro One will be acquiring easement rights on both private and public lands.

I concur with your intentions to notify the First Nation communities that you have listed in your incoming letter. In addition, I recommend that these communities be offered the opportunity to meet with Hydro One staff to discuss the proposed project, learn more about the leave-to-construct process, and share any concerns or interests that they may have with the project.

I also recommend that Hydro One maintain a record of its interactions with the First Nation communities that it has identified for notification. I request that you notify me if information emerges suggesting an adverse impact on any community, as appropriate.

Please do not hesitate to contact me if you have any further questions or wish to discuss this matter in more detail.

Sincerely,



Amy Gibson  
Manager  
First Nation and Métis Policy and Partnerships Office

c: Brian McCormick, Manager  
Environmental Services and Approvals, Hydro One Networks Inc.

Heather Levecque, Manager  
Consultation Unit, Ministry of Aboriginal Affairs

**Contacts with First Nations Communities**

First Nation	Type of Correspondence	Fax-back returned	Follow-up
Chippewas of the Thames	Notice of Commencement sent April 9, 2008 and PIC#1 invitation sent	No	Hydro One called First Nation on June 3, 2008 to follow-up on the Notice of Commencement. The Chief was unavailable to discuss. Hydro One followed up a second time by phone on June 6, 2008 and left a voicemail.
	Invitation to PIC#2 sent July 7, 2008		
	Letter with information on the selection of the preferred transmission line location and Transformer Station Site sent May 7, 2009		Hydro One follow up phone call made on June 9, 2009 regarding May 7, 2009 correspondence. Voicemail was left.
	Invitation to PIC#3 sent July 3, 2009		
	Invitation to landowner workshop sent Oct. 14, 2009		
	Letter providing Project update sent November 29, 2013		
Oneida Nation of the Thames	Notice of Commencement sent April 9, 2008 and PIC#1 invitation	No	Hydro One called June 6, 2008 and left a message with administration.
	Invitation to PIC#2 sent July 7, 2008		
	Letter with information on the selection of the preferred transmission line location and Transformer Station Site sent May 7, 2009		Hydro One follow up phone call made on June 9, 2009 regarding May 7, 2009 correspondence. Voicemail left with Chief.
	Invitation to PIC#3 sent July 3, 2009		
	Invitation to landowner workshop sent Oct. 14, 2009		
	Letter providing Project update sent November 29, 2013		
Munsee-Delaware Nation	Notice of Commencement sent April 9, 2008 and PIC#1 invitation sent	No	Chief followed up with Hydro One via phone call on April 15, 2008. Hydro One followed up with First Nation on June 6, 2008 regarding Project. Hydro One agreed to re-send project information.
	Invitation to PIC#2 sent July 7, 2008		
	Letter with information on the selection of the preferred transmission line location and Transformer Station Site sent May 7, 2009		Hydro One followed up with Chief on June 9, 2009 and left a voicemail.
	Invitation to PIC#3 sent July 3, 2009		
	Invitation to landowner workshop sent Oct. 14, 2009		

	Letter providing Project update sent November 29, 2013		
<b>Caldwell First Nations</b>	Notice of Commencement sent April 9, 2008 and PIC#1 invitation sent	No	Hydro One followed up via phone call on June 6, 2008 and left a voicemail.
	Invitation to PIC#2 sent July 7, 2008		
	Letter with information on the selection of the preferred transmission line location and Transformer Station Site sent May 7, 2009		Hydro One followed up via phone call on April 20, 2009. Chief returned phone call to Hydro One on April 21, 2009. Hydro One returned phone call on April 22, 2009, April 30, 2009, and again on May 5, 2009. Messages left.  On May 12, 2009, Hydro One emailed the Chief information regarding the Project. On May 13, 2009, Councilor of the First Nation phoned Hydro One and Hydro One explained content of email sent to Chief. May 24, 2009, Hydro One received email from First Nation. On May 28, 2009 Hydro One emailed the Chief to offer a meeting to discuss the project further. June 8 and 9, 2009, Hydro One called the First Nation to follow up on request to meet to discuss the project further. Messages left.
	Invitation to PIC#3 sent July 3, 2009		First Nation expressed concern regarding compensation for farmers, and requested a hard copy of the ESR be mailed.
	Invitation to landowner workshop sent Oct. 14, 2009		
	Letter providing Project update sent November 29, 2013		On November 29, 2013 the Chief responded to Hydro One via email requesting a meeting to discuss the Project. Hydro One responded via phone and email on December 13, 2013 to coordinate a meeting between Hydro One and Caldwell First Nation. On January 10, 2014, Hydro One met with the Chief and one Elected Representative of Caldwell First Nation to discuss the Project and share information. The following information was discussed: Hydro One's Supply to Essex Reinforcement Project was reviewed and the Section 92 Application to the Ontario Energy Board was discussed. Caldwell First Nation had expressed concerns with regards to Electric and Magnetic Fields (EMF), bird fatalities, archaeology, planting of native species and Hydro One's process for removal of potentially contaminated soil.  Regarding EMF - Hydro One shared that as the distance from the line increases, the EMF decreases and therefore it is low at the edge of the right-of-way. Subsequent to the meeting, Hydro One provided Caldwell First Nation with a Health Canada fact sheet regarding EMF. Health Canada monitors scientific research on EMFs and human health as part of its mission to help Canadians maintain and improve their health.  Regarding electrocution of birds, Hydro One shared that this is not a common occurrence on Hydro One facilities because of the configuration of the equipment, although it infrequently may happen. Birds hitting the wires are more common. When Hydro One has been informed of situations where birds commonly have hit wires on either the transmission lines or distribution lines, Hydro One has put "flappers" or bird diverters on the wires to make them more visible to birds.  Regarding Archeology, Hydro One shared that a Stage 1 archaeological study has been completed for the Supply to Essex Reinforcement Project and Hydro One will be completing a Stage 2 study when approval has been received to do further planning. Hydro One has committed to discuss with Caldwell First Nation following approvals whether Caldwell First Nation would like to have their Archaeological monitors involved in the study.  Regarding the planting of native species Hydro One responded that when possible, Hydro One uses native species for planting. There are some exceptions, but planting native species is Hydro One's preference. Hydro One offered to discuss planting plans with Caldwell First Nation regarding the Supply to Essex project once Hydro One begins developing planting plans.  Regarding Hydro One's soil disposal process, Hydro One explained that all the soil is tested prior to disposal and follows all laws and government guidelines with regards to contaminated soil.
<b>Moravian of the Thames (Delaware Nation)</b>	Notice of Commencement sent April 9, 2008 and PIC#1 invitation sent	No	Hydro One followed up via phone with First Nation on May 27, 2008 to discuss project further. Voicemail left.
	Invitation to PIC#2 sent July 7, 2008		
	Letter with information on the selection of the preferred transmission line location and Transformer Station Site sent May 7, 2009		Hydro One followed up via phone on June 9, 2009 and left a voicemail.
	Invitation to PIC#3 sent July 3, 2009		
	Invitation to landowner workshop sent Oct. 14, 2009		
	Letter providing Project update sent November 29, 2013		

<b>Bkejwanong Territory (Walpole Island)</b>	Notice of Commencement sent April 9, 2008 and PIC#1 invitation sent	No	May 27, 2008, Hydro One followed up via phone and discussed the Project with the Chief. Additional information requested by the Chief was sent via email on May 27, 2008.
	Invitation to PIC#2 sent July 7, 2008		
	Letter with information on the selection of the preferred transmission line location and Transformer Station Site sent May 7, 2009		On June 9, 2009 Hydro One followed up via phone regarding the May 7, 2009 package sent from Hydro One. On July 17, 2009 the First Nation left a voicemail with Hydro One. On July 20, 2009 Hydro One returned phone call and left voicemail. On July 21, 2009, the First Nation contacted Hydro One via phone requesting past correspondence and project information be shared with the First Nation. On July 23, 2009 Hydro One sent the information requested. Hydro One followed up with a phone call on July 31, 2009 to ensure information was received. Voicemail left.
	Invitation to PIC#3 sent July 3, 2009		
	Invitation to landowner workshop sent Oct. 14, 2009		
	Letter providing Project update sent November 29, 2013		
<b>Chippewas of Kettle and Stony Point</b>	Notice of Commencement sent April 9, 2008 and PIC#1 invitation.	No	Hydro One followed up via phone on June 6, 2008 and left a voicemail.
	Invitation to PIC#2 sent July 7, 2008.		
	Letter with information on the selection of the preferred transmission line location and Transformer Station Site sent May 7, 2009		Hydro One followed up via phone call on June 8, 2009 and left a message for the Chief and a separate message for the First Nation Liaison Coordinator.
	Invitation to PIC#3 sent July 3, 2009		
	Invitation to landowner workshop sent Oct. 14, 2009		
<b>Aamjiwnaang</b>	Letter providing Project update sent November 29, 2013		
	Notice of Commencement sent April 9, 2008 and PIC#1 invitation sent	No	Hydro One followed up via phone call on June 6, 2008 and left a voicemail.
	Invitation to PIC#2 sent July 7, 2008		
	Letter with information on the selection of the preferred transmission line location and Transformer Station Site sent May 7, 2009		Hydro One followed up via phone call on June 8, 2009 and left a voicemail.
	Invitation to PIC#3 sent July 3, 2009		
	Invitation to landowner workshop sent Oct. 14, 2009		

1  
2  
3 **LAND MATTERS**

4  
5 **1.0 DESCRIPTION OF LAND REQUIRED**

6 The proposed Supply to Essex County Transmission Reinforcement Project, for which  
7 Hydro One is seeking approval, will involve constructing a new 230 kV overhead  
8 transmission line on steel lattice towers along a new corridor. The proposed line will  
9 connect the future Leamington Transformer Station (“TS”) and tower structure 225  
10 (Leamington Junction) on the Chatham Switching Station (“SS”) and Keith TS corridor,  
11 a distance of approximately 13 kilometres.

12 The proposed corridor from Leamington Junction to Leamington TS will be a  
13 combination of:

- 14 • provincially-owned property whose title is held by the Ministry of Infrastructure, and  
15 managed by Infrastructure Ontario (no land rights required);  
16 • easement rights on municipally owned and private properties (new land rights  
17 required);  
18 • municipal road corridors (no land rights required).

19  
20 New permanent land rights on properties from Leamington Junction to Leamington TS  
21 will be required to accommodate the proposed transmission facilities. Temporary rights  
22 for construction purposes will also be required at specific locations along the corridor.

23  
24 **2.0 DESCRIPTION OF NEW LAND RIGHTS REQUIRED**

25  
26 The proposed corridor crosses approximately 39 privately-owned properties from  
27 Leamington Junction to Leamington TS, for which new land rights are required. The  
28 properties traversed by the corridor are mainly agricultural, including a number of

1 greenhouse operations, with some rural residential, recreational land uses, and limited  
2 commercial/industrial uses. Easement rights will also be required along a corridor  
3 formerly used as a rail line and owned by the Municipality of Leamington.

4  
5 The transmission line crosses eight municipal road allowances owned by the  
6 Municipality of Leamington and the Town of Lakeshore. No land rights are required for  
7 these crossings. The line will not intersect any rail lines/rail spurs currently in operation.

### 8 9 **3.0 LAND ACQUISITION PROCESS**

10  
11 Hydro One will be acquiring new easement rights along the Chatham SS to Keith TS  
12 corridor to Leamington TS. Hydro One's approach will be to secure these new rights  
13 through voluntary property settlements. Where mutually acceptable resolution is not  
14 possible, Hydro One will rely on the legislated expropriation process. Hydro One will  
15 initiate specific discussions with affected property owners after filing the section 92  
16 application. Initial meetings with senior staff in affected municipalities have taken place  
17 along the route.

18  
19 Additional temporary working rights will be required, but these are not expected to be  
20 significant. Temporary property rights may be required when crossing or paralleling  
21 existing or planned utilities (e.g., pipelines, power lines) or other planned infrastructure  
22 (e.g., highways), and building construction access roads and working pads. These  
23 requirements will be determined and confirmed at the engineering design stage. Access  
24 agreements with landowners will be required.

25  
26 Copies of the Offer to Grant an Easement, Off-Corridor Temporary Access and Access  
27 Road, Temporary Construction License Agreement for construction staging, and a  
28 Damage Claim Agreement and Release Form which will be used as the basis for

1 compensation related to construction impacts such as crop damage, are included (please  
2 refer to **Exhibit B, Tab 6, Schedule 7, Attachments 1, 2, 3 and 4 respectively**).

3

4 Landowners have been informed of this project as part of the stakeholder and community  
5 consultation process described in **Exhibit B, Tab 6, Schedule 5**, as well as in the EA  
6 approval process. They will also be notified as part of the OEB's Section 92 Notice of  
7 Application requirements.

**OFFER TO GRANT AN EASEMENT TO  
HYDRO ONE NETWORKS INC.**

I, *INSERT NAME* (the "Transferor"),

Being the owner of *INSERT LEGAL DESCRIPTION OF PROPERTY* (herein called the "Lands") in consideration of payment of the sum of \$*INSERT VALUE (INSERT VALUE)* (THE "**OFFER CONSIDERATION**"), and other good and valuable consideration (the sufficiency of which consideration is hereby acknowledged), hereby covenants and agrees as follows:

1. (a) THE Transferor hereby grants to Hydro One Networks Inc. its successors and assigns (the "Transferee") the exclusive right, irrevocable during the periods of time below specified in paragraph 2, (the "**Offer**") to purchase, free from all encumbrances and upon the terms and conditions hereinafter set out, the perpetual rights, easements and privileges set out in the Transfer and Grant of Easement document (the "**Transfer of Easement**" annexed hereto as Schedule "A" (the "**Rights**") in, through, under, over, across, along and upon that portion of the above Lands as shown as *INSERT DESCRIPTION* (the "**Strip**").  
(b) THE purchase price for the Rights shall be the sum of *INSERT VALUE DOLLARS (\$ INSERT VALUE)* lawful money of Canada to be paid by cash or uncertified cheque to the Transferor on Closing (the "**Purchase Price**").
2. THIS Offer may be accepted by the Transferee any time within 60 Days from the date of this Agreement by a letter delivered or facsimile transmission or mailed postage prepaid and registered, to the Transferor at the address set out in paragraph 12. If this Offer is not accepted within this time frame, this Agreement and everything herein contained shall be null, void and of no further force or effect. If this Offer is accepted by the Transferee in the manner aforesaid, this Agreement and the letter accepting such Offer shall then become a binding contract between the parties, and the same shall be completed upon the terms herein provided for.
3. THE Transfer of Easement arising from the acceptance of this Offer shall be executed and delivered to the Transferee on or before the One Hundred and Twentieth (120<sup>th</sup>) day after the date of Transferee's acceptance of this Offer (the "**Closing**") and time shall in all respects be of the essence hereof.
4. IF the Transferee accepts the Offer herein: a) the Transferee shall not grant or transfer an easement or permit, or create any encumbrance over or in respect of the Strip prior to registration of the Transfer of Easement, and b) the Transferee has permission to approach prior encumbrancers or any third parties who have existing interests in the strip to obtain all necessary consents, postponements or subordinations (in registrable form) from all current and future prior encumbrancers and third parties, if necessary, consenting to this Transfer of Easement, and/or postponing their respective rights, title and interest so as to place such Rights and Transfer of Easement in first priority on title to the Strip.
5. TITLE to the Strip shall at Closing be good and free from all registered restrictions, charges, liens, easements and encumbrances of any kind whatsoever except for those matters disclosed in Schedule "B" annexed hereto.
6. The Transfer of Easement and all ancillary documents necessary to register same on title shall be prepared by and at the expense of the Transferee and shall be substantially in the form as the annexed Schedule "A". The Transferor hereby covenants and agrees that the Transferee may, at its option, register this Agreement or Notice thereof, and the Transfer of Easement on title to the Lands, and the Transferor hereby covenants and agrees to execute, at not further cost or condition to the Transferee, such other instruments, plans and documents as may reasonably be required by the transferee to effect registration of this Agreement or Notice thereof prior to closing and the Transfer of Easement at any time hereafter.
7. THE Transferor covenants and agrees with Transferee that it has the right to convey the Rights without restriction and that Transferee will quietly possess and enjoy the Rights and that the Transferor will execute upon request such further assurances of the Rights as may be requisite to give effect to the provisions of this Agreement.
8. AS of the date of the Transferee's acceptance of the Offer, the Transferor grants to the Transferee, in consideration of the Offer Consideration, free from all encumbrances, easements and restrictions the following unobstructed and exclusive rights, easements, rights of way, covenants, agreements and privileges in, through, under, over, across, along and upon the Strip:
  - (a) To enter and lay down, install, construct, erect, maintain, open, inspect, add to, enlarge, alter, repair and keep in good condition, move, remove, replace, reinstall, reconstruct, relocate, supplement and operate and maintain at all times in, through, under, over, across, along and upon the strip an electrical transmission system and telecommunications system consisting in both instances of pole structures, steel towers, anchors, guys and braces and all such

aboveground or underground lines, wires, cables, telecommunication cables, grounding electrodes, conductors, apparatus, works accessories, associated material and equipment, and appurtenances pertaining to or required by either such system (all or any of which are herein individually or collectively called the “**Works**”) as in the opinion of the Transferee are necessary or convenient thereto for use as required by Transferee in its undertaking from time to time, or a related business venture.

- (b) To enter on and selectively cut or prune, and to clear and keep clear, and remove all trees (subject to compensation to Owners for merchantable wood values), branches, bush and shrubs and other obstructions and materials in, over or upon the Strip, and without limitation, to cut and remove all leaning or decayed trees located on the Lands whose proximity to the Works renders them liable to fall and come in contact with the Works or which may in any way interfere with the safe, efficient or serviceable operation of the Works or this easement by the Transferee.
- (c) To conduct all engineering, legal surveys, and make soil tests, soil compaction and environmental studies and audits in, under, on and over the Strip as the Transferee in its discretion considers requisite.
- (d) To erect, install, construct, maintain, repair and keep in good condition, move, remove, replace and use bridges and such gates in all fences which are now or may hereafter be on the Strip as the Transferee may from time to time consider necessary.
- (e) To clear the Strip and keep it clear of all buildings, structures and other obstructions of any nature whatever including removal of any materials which in the opinion of the Transferee are hazardous to the line. Notwithstanding the foregoing, in all cases where in the sole discretion of the Transferee the safe operation and maintenance of the line is not endangered or interfered with, the Transferor from time to time or the person or persons entitled thereto, may with prior written approval of the Transferee, at his or her own expense, construct and maintain roads, lanes, walks drains, sewers, water pipes, oil and gas pipelines, and fences (not to exceed 2 metres in height) on or under the Strip or any portion thereof, provided that prior to commencing any such installation, the Transferor shall give the Transferee 30 days notice in writing so as to enable Transferee to have a representative inspect the site and be present during the performance of the work and that the Transferor complies with any instructions which may be given by such representative in order that such work may be carried out in such a manner as not to endanger, damage or interfere with the line.
- (f) To enter on, and exit from, and to pass and repass at any and all times in, over, along, upon, across, through and under the Strip and so much of the Lands as may be reasonably necessary, at all reasonable times, for the Transferee and its respective officers, employees, workers, permittees, servants, agents, contractors and subcontractors, with or without vehicles, supplies, machinery, plant, material and equipment for all purposes necessary or convenient to the exercise and enjoyment of the said rights and easement subject to payment by the Transferee of compensation for any crop or other physical damage only to the Land caused by the exercise of this right of entry and passageway; and
- (g) To remove, relocate and reconstruct the line on or under the Strip, subject to payment by the Transferee of additional compensation for any damage caused thereby.

9. THE Transferor consents to Transferee, its respective officers, employees, agents, contractors, subcontractors, workers and permittees or any of them entering on, exiting and passing and repassing in, on, over, along, upon, across, through and under the Strip and so much of the Lands as may be reasonably necessary, at all reasonable times after the date of the Agreement until such time as this Offer is accepted and the purchase is completed with or without all plant, machinery, material, supplies, vehicles, and equipment, for all purposes necessary or convenient to the exercise and enjoyment of the Rights, subject to compensation afterwards for any crop or other physical damage only to the Lands or permitted structures sustained by the Transferor caused by the exercise of this right of entry and passageway.

10. THIS Agreement and Grant of Easement Rights shall both be subject to the condition that the provisions of the *Planning Act*, R.S.O. 1990, c. P. 13, as amended, have, in the opinion of Transferee, been satisfactorily complied with. If after consultation with Provincial agencies and Municipalities, Hydro One Networks Inc., decides that the provisions of the *Planning Act*, R.S.O., c.P. 13, and amendments thereto, have not been or cannot be complied with, it may, at its option, cancel this Agreement.

11. ANY documents or money payable hereunder may be tendered upon the parties hereto or their respective solicitors and money may be tendered by negotiable uncertified cheque or cash.

12. ANY acceptance of this Offer, demand, notice or other communication to be given in connection with this Agreement shall be given in writing and shall be given by personal deliver, by registered mail postage prepaid, or by facsimile transmission, addressed to the recipient as follows:

<b>TO TRANSFEROR:</b>	<b>TO TRANSFEREE:</b>
<b>NAME</b>	<b>Hydro One Networks Inc.</b>
<b>ADDRESS</b>	<b>Real Estate Services</b>
<b>PHONE NUMBER</b>	<b>PO BOX 1050</b>
	<b>Milton, ON, L9T 5B9</b>

**Attention:**  
**Fax:**

or to such other address, facsimile number or individual as may be designated by notice given by either party to the other. Any acceptance of this offer, demand notice or other communication shall be conclusively deemed to have been given when actually received by the addressee or upon the second day after the day of mailing.

- 13. THE Transferor represents that he is not now and at the time of Closing shall not be a spouse within the meaning of the *Family Law Act*, R.S.O. 1990, c.F. 3, as amended, failing which, the Transferor shall cause this Agreement and all related documents to be accepted and consented to in writing by the spouse of the Transferor to the satisfaction of the Transferee and at not further cost or condition.
- 14. IN the event of and upon acceptance of this Offer by Hydro One Networks Inc. in manner aforesaid this Agreement and the letter accepting such Offer shall then become a binding contract of sale and purchase between the parties, and the same shall be completed upon the terms herein provided for.
- 15. HYDRO ONE NETWORKS INC. will covenant and agree with the Transferor to indemnify and save harmless the Transferor, his tenants, or other lawful occupiers of the Strip for any loss, damage and injury caused by the acceptance of the Offer and the granting and thereafter of Rights or anything done pursuant thereto or arising from any accident (not including any Act of God) that would not have happened but for the presence of its line on the Strip, provided, however, that Hydro One Networks Inc. shall not be liable to the extent to which such loss, damage, or injury is caused or contributed to by the neglect or default of the Transferor, his tenants, guests, invitees or other lawful occupiers of the Strip or their servants, agents, or workmen.
- 16. THE Transferor covenants and agrees that if and before the Transferor sells, transfers, assigns, disposes (or otherwise parts with possession) of all or part of the Lands to a third party (the "Third Party") the Transferor shall use best efforts to ensure that the third party assumes the burden and benefit of this Agreement, and agrees to be bound by it. Accordingly the Transferor covenants and agrees to use best efforts to obtain from the Third Party a written acknowledgement and agreement that the Third Party is aware of this Agreement and will continue to be bound by the terms, conditions and stipulations of this Agreement.
- 17. ALL covenants herein contained shall be construed to be several as well as joint, and wherever the singular and the masculine are used in this Agreement, the same shall be construed as meaning the plural or the feminine or neuter, where the context or the identity of the Transferor/Transferee so requires.
- 18. THE burden and benefit of this Agreement shall run with the Strip and the works and undertaking of the Transferee and shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

**IN WITNESS WHEREOF** the Transferor has hereunto set his hand and seal to this Agreement, this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

SIGNED, SEALED AND DELIVERED )  
 ) In the presence of  
 )  
 )  
 ) \_\_\_\_\_

*INSERT NAME*

SIGNED, SEALED AND DELIVERED

In the presence of

)  
)  
)  
)

Consent Signature & Release of  
Transferor's Spouse, if non-owner

---

## SCHEDULE "A"

### TRANSFER AND GRANT OF EASEMENT

The Transferor is the owner in fee simple and in possession of *INSERT LEGAL DESCRIPTION OF PROPERTY* (The "**Lands**").

The Transferee has erected, or is about to erect, certain Works (as more particularly described in paragraph 1(a) in, through, under, over, across, along and upon the Lands.

1. THE Transferor hereby grants and conveys to Hydro One Networks Inc., its successors and assigns the rights and easement, free from all encumbrances and restrictions, the following unobstructed and exclusive rights, easements, rights-of-way, covenants, agreements and privileges in perpetuity (the "**Rights**") in, through, under, over across, along and upon that portion of the Lands of the Transferor described herein as *INSERT DESCRIPTION* (the "**Strip**") for the following purposes:
  - (a) To enter and lay down, install, construct, erect, maintain, open, inspect, add to, enlarge, alter, repair and keep in good condition, move, remove, replace, reinstall, reconstruct, relocate, supplement and operate and maintain at all times in, through, under, over, across, along and upon the Strip an electrical transmission system and telecommunications system consisting in both instances of pole structures, steel towers, anchors, guys and braces and all such aboveground or underground lines, wires, cables, telecommunications cables, grounding electrodes, conductors, apparatus, works, accessories, associated material and equipment, and appurtenances pertaining to or required by either such system (all or any of which are herein individually or collectively called the ("**Works**") as in the opinion of the Transferee are necessary or convenient thereto for use as required by Transferee in its undertaking from time to time, or a related business venture.
  - (b) To enter on and selectively cut or prune, and to clear and keep clear, and remove all trees (subject to compensation to Transferor for merchantable wood values), branches, bush and shrubs and other obstructions and materials, over or upon the Strip, and without limitation, to cut and remove all leaning or decayed trees located on the Lands whose proximity to the Works renders them liable to fall and come in contact with the Works or which may in any way interfere with the safe, efficient or serviceable operation of the Works or this easement by the Transferee.
  - (c) To conduct all engineering, legal surveys, and make soil tests, soil compaction and environmental studies and audits in, under, on and over the Strip as the Transferee in its discretion considers requisite.
  - (d) To erect, install, construct, maintain, repair and keep in good condition, move, remove, replace and use bridges and such gates in all fences which are now or may hereafter be on the Strip as the Transferee may from time to time consider necessary.
  - (e) Except for fences and permitted paragraph 2(a) installations, to clear the Strip and keep it clear of all buildings, structures, erections, installations, or other obstructions of any nature (hereinafter collectively called the "**obstruction**") whether above or below ground, including removal of any materials and equipment or plants and natural growth, which in the opinion of the Transferee, endanger its Works or any person or property or which may be likely to become a hazard to any Works of the Transferee or to any person or property or which do or may in any way interfere with the safe, efficient or serviceable operation of the Works or this easement by the Transferee.
  - (f) To enter on and exit by the Transferor's access routes and to pass and repass at all times in, over, along, upon and across the Strip and so much of the Lands as is reasonably required, for Transferee, its respective officers, employees, agents, servants, contractors, subcontractors, workmen and permittees with or without all plant machinery, material, supplies, vehicles and equipment for all purposes necessary or convenient to the exercise and enjoyment of this easement subject to compensation afterwards for any crop or other physical damage only to the Lands or permitted structures sustained by the Transferor caused by the exercise of this right of entry and passageway.
  - (g) To remove, relocate and reconstruct the line on or under the Strip subject to payment by the Transferee of additional compensation for any damage caused thereby.
2. THE Transferor agrees that:
  - (a) It will not interfere with any Works established on or in the Strip and shall not, without the Transferee's consent in writing erect or cause to be erected or permit in, under or upon the strip any obstruction or plant or permit any trees, bush, shrubs, plants or natural growth which does or may interfere with the Rights granted herein. The Transferor agrees it shall not, without the Transferee's consent in writing, change or

permit the existing configuration, grade or elevation of the Strip to be changed and the Transferor further agrees that no excavation or opening or work which may disturb or interfere with the existing surface of the Strip shall be done or made unless consent therefore in writing has been obtained from Transferee, provided however, that the Transferor shall not be required to obtain such permission in case of emergency. Notwithstanding the foregoing, in cases where in the reasonable discretion of the Transferee, there is no danger or likelihood of danger to the Works of the Transferee or to any persons or property and the safe or serviceable operation of this easement by the Transferee is not interfered with, the Transferor may at its expense and with the prior written approval of the Transferee, construct and maintain roads, lanes walks, drains, sewers water pipes, oil and gas pipelines, fences (not to exceed 2 metres in height) and service cables on or under the Strip (the "Installation") or any portion thereof; provided that prior to commencing such Installation, the transferor shall give to the Transferee thirty (30) days notice in writing thereof to enable the Transferee to have a representative present to inspect the proposed Installation during the performance of such work, and provided further that Transferor comply with all instructions given by such representative and that all such work shall be done to the reasonable satisfaction of such representative. In the event of any unauthorised interference aforesaid or contravention of this paragraph, or if any authorised interference, obstruction or Installation is not maintained in accordance with the Transferee's instructions or in the Transferee's reasonable opinion, may subsequently interfere with the Rights granted herein, the Transferee may at the Transferor's expense, forthwith remove, relocate, clear or correct the offending interference, obstruction, Installation or contravention complained of from the Strip, without being liable for any damages cause thereby.

- (b) notwithstanding any rule of law or equity, the Works installed by the Transferee shall at all times remain the property of the Transferee, notwithstanding that such Works are or may become annexed or affixed to the Strip and shall at anytime and from time to time be removable in whole or in part by Transferee.
  - (c) no other easement or permission will be transferred or granted and no encumbrances will be created over or in respect to the Strip, prior to the registration of a Transfer of this grant of Rights.
  - (d) The Transferor will execute such further assurances of the Rights in respect of this grant of easement as may be requisite.
  - (e) The Rights hereby granted:
    - (i) shall be of the same force and effect to all intents and purposes as a covenant running with the Strip
    - (ii) sideclared hereby to be appurtenant to and for the benefit of the Works and undertaking of the Transferee described in paragraph 1(a)
3. THE Transferee covenants and agrees to obtain at its sole cost and expense all necessary postponements and subordinations (in registrable form) from all current and future prior encumbrancers, postponing their respective rights, title and interest to the transfer of Easement herein so as to place such Rights and easement in first priority on title to the Lands.
4. THERE are no representations, covenants agreements, warranties and conditions in any way relating to the subject matter of this grant of Rights whether expressed or implied, collateral or otherwise except those set forth herein.
5. NO waiver of a breach or any of the covenants of this grant of Rights shall be construed to be a waiver of any succeeding breach of the same or any other covenant.
6. THE burden and benefit of this transfer of Rights shall run with the Strip and the Works and undertaking of the Transferee and shall extend to, be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

**SCHEDULE "B"**  
**PERMITTED ENCUMBRANCES**

NIL

**Temporary Access and Temporary Access Road**

**THIS AGREEMENT** made in duplicate the \_\_\_\_\_ day of \_\_\_\_\_ 20XX

Between:

***INSERT NAME OF OWNER***

(hereinafter referred to as the “Grantor”)

OF THE FIRST PART

--- and ---

**HYDRO ONE NETWORKS INC.**

(hereinafter referred to “HONI”)

OF THE SECOND PART

WHEREAS the Grantor is the owner in fee simple and in possession of certain lands legally described as, ***INSERT LEGAL DESCRIPTION*** (the “Lands”).

WHEREAS HONI in connection with its [**Insert Project Name**] Project (the “Project”) desires the right to enter onto the Lands in order to construct temporary access roads on, over and upon the Lands in order to access the construction site associated with the “Project.”

WHEREAS the Grantor is agreeable in allowing HONI to enter onto the Lands for the purpose of constructing temporary access roads on, over and upon the Lands, subject to the terms and conditions contained herein.

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that in consideration of the sum of ***INSERT CONSIDERATION*** to be paid by HONI to the Grantor, and the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The Grantor hereby grants, conveys and transfers to HONI in, over, along and upon that part of the Lands highlighted in yellow as shown in Schedule “A” attached hereto (the “Access Lands”), the rights privileges, and easements as follows:
  - (a) for the servants, agents, contractors and workmen of HONI at all times with all necessary vehicles and equipment to pass and repass over the Access Lands for the purpose of access to the construction site associated with the Project, subject to payment of compensation for damages to any crops caused thereby;
  - (b) to construct, use and maintain upon the Access Lands, a temporary road to the construction site associated with the Project, together with such gates, bridges and drainage works as may be necessary for HONI’s purposes (collectively, the “Works”), all of which Works shall be removed by HONI upon completion of the construction associated with the Project.; and
  - (c) to cut and remove all trees, brush and other obstructions made necessary by the exercise of the rights granted hereunder
2. The term of this Agreement and the permission granted herein shall be XXXX from the date written above (the “Term”). HONI may, in its sole discretion, and upon 60 days notice to the Grantor, extend the Term for an additional length of time, which shall be negotiated between the parties.
3. Upon the expiry of the Term or any extension thereof, HONI shall repair any physical damage to the Access Lands and/or Lands resulting from HONI’s use of the Access Lands and the permission granted herein; and, shall restore the Access Lands to its original condition so far as possible and practicable.
4. All agents, representatives, officers, directors, employees and contractors and property of HONI located at any time on the Access Lands shall be at the sole risk of HONI and the Grantor shall not be liable for any loss or damage or injury (including loss of life) to them or it however occurring except and to the extent to which such loss, damage or injury is caused by the negligence or willful misconduct of the Grantor.
5. HONI agrees that it shall indemnify and save harmless the Grantor from and against all claims, demands, costs, damages, expenses and liabilities (collectively the “Costs”) whatsoever arising out of HONI’s presence on the Access Lands or of its activities on or

in connection with the Access Lands arising out of the permission granted herein except to the extent any of such Costs arise out of or are contributed to by the negligence or willful misconduct by the Grantor.

- 6. Notices to be given to either party shall be in writing, personally delivered or sent by registered mail (except during a postal disruption or threatened postal disruption), telegram, electronic facsimile or other similar means of prepaid recorded communication to the applicable address set forth below (or to such other address as such party may from time to time designate in such manner):

TO HONI:

Hydro One Networks Inc.  
Real Estate Services  
5<sup>th</sup> Floor  
483 Bay Street South Tower  
Toronto, Ontario M5G 2P5

Attention:  
Fax:

TO GRANTOR:

- 7. Notices personally delivered shall be deemed to have been validly and effectively given on the day of such delivery. Any notice sent by registered mail shall be deemed to have been validly and effectively given on the fifth (5<sup>th</sup>) business day following the date on which it was sent. Any notice sent by telegram, electronic facsimile or other similar means of prepaid recorded communication shall be deemed to have been validly and effectively given on the Business Day next following the day on which it was sent. "Business Day" shall mean any day which is not a Saturday or Sunday or a statutory holiday in the Province of Ontario. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable herein. The parties hereto submit themselves to the exclusive jurisdiction of the Courts of the Province of Ontario.
- 8. Any amendments, modifications or supplements to this Agreement or any part thereof shall not be valid or binding unless set out in writing and executed by the parties with the same degree of formality as the execution of this Agreement.
- 9. The burden and benefit of this Agreement shall run with the Lands and everything herein contained shall operate to the benefit of, and be binding upon, the respective heirs; successors, permitted assigns and other legal representatives, as the case may be, or each of the Parties hereto.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the day and year first above written.

SIGNED, SEALED & DELIVERED  
In the presence of:

OWNER:

\_\_\_\_\_  
Witness

\_\_\_\_\_

\_\_\_\_\_  
Witness

\_\_\_\_\_

HYDRO ONE  
HST #

HYDRO ONE NETWORKS INC.

By: \_\_\_\_\_  
Name:  
Title:

I have authority to bind the Corporation

**SCHEDULE "A"**  
**PROPERTY SKETCH**

**TEMPORARY CONSTRUCTION LICENCE**

THIS AGREEMENT made in duplicate X day of X 20XX  
the

BETWEEN:

**HYDRO ONE NETWORKS** (hereinafter called the  
**INC.** "HONI") OF THE FIRST  
PART

and

**XXXXX** (hereinafter called the  
"Owner") OF THE SECOND  
PART

**WHEREAS:**

- (a) The Owner is the registered owner of lands legally described as **INSERT LEGAL DESCRIPTION** (the "Lands").
- (b) HONI will be constructing new electrical transmission facilities in the area highlighted in yellow on a portion of the Lands more particularly shown on Schedule "A" attached hereto (the "Project") and requires a portion of the Lands as a temporary construction area.
- (c) The Owner is agreeable in allowing HONI to enter onto the Lands and using a portion of the Lands for the purposes of a temporary construction area, which area is more particularly shown in red on Schedule "A" attached hereto in order to facilitate construction work on HONI's adjacent transmission corridor.

**NOW THEREFORE THIS AGREEMENT WITNESSES THAT IN CONSIDERATION** of the sum of Five Dollars (\$5.00) now paid by each party to the other and the respective covenants and agreements of the parties hereinafter contained (the receipt and sufficiency of which are hereby acknowledged by the parties hereto), the parties hereto agree as follows:

1. The Owner hereby grants to HONI the right to enter upon a portion of the Lands highlighted in red, being XX acres, for the purpose of a temporary construction area (the "Licenced Area").
2. HONI will pay the Owner the amount of **INSERT CONSIDERATION** for the rights granted herein (the "Licence Fee").
3. HONI agrees that it shall take all reasonable care in its construction practices. HONI agrees that it shall erect such barriers and take such other appropriate safety precautions (i.e. gating system), as may be reasonably required to effectively prevent death or injuries to persons or the Owner's property during the Term of this Agreement.

4. All agents, representatives, officers, directors, employees and contractors and property of HONI located at any time on the Licenced Area shall be at the sole risk of HONI and the Owner shall not be liable for any loss or damage or injury (including loss of life) to them or it however occurring except and to the extent to which such loss, damage or injury is caused by the negligence or willful misconduct of the Owner.
5. HONI agrees that it shall indemnify and save harmless the Owner from and against all claims, demands, costs, damages, expenses and liabilities (collectively the "Costs") whatsoever arising out of HONI's presence on the Lands or of its activities on or in connection with the Licenced Area arising out of the permission granted herein except to the extent any of such Costs arise out of the negligence or willful misconduct of the Owner.
6. This Agreement and the permission granted herein shall be for a XXXXX term commencing from XXXXX until XXXXX (the "Term").
7. This Agreement and the permission granted herein may be renewed by HONI on a month to month basis up to an additional one year term, upon the same terms and conditions contained herein, including the Licence Fee, which amount shall be pro-rated to a monthly amount if applicable, save and except any further right to renewal. In the event HONI desires to renew this Licence, it shall provide notice in writing to the Owner of its desire to renew the Licence, at least thirty (30) days prior to the end of the Term, or any renewal thereof.
8. Upon the expiry of this Licence, HONI shall remove all equipment and debris from the Licenced Area and shall restore the Licenced Areas to as close as is practicable to its original condition immediately prior to HONI's occupancy at HONI's sole cost and expense.
9. Any notice to be given to the Owner shall be in writing and shall be delivered by pre-paid registered post or by facsimile, at the address noted below:

in the case of the Owner, to:

Attention:  
Fax No.:

in the case of the HONI, to:

Attention:  
Fax No.:

Such notice shall be deemed to have been given, in writing or delivered, on the date of delivery, and, where given by registered post, on the third business day following the posting thereof, and if sent by facsimile, the date of delivery shall be deemed to be the date of transmission if transmission occurs prior to 4:00 p.m. (Toronto time) on a business day and on the business day next following the date of transmission in any other case. It is understood that in the event of a threatened or actual postal disruption in the postal service in the postal area through which such notice must be sent, notice must be given in writing by

delivery or by facsimile, in which case notice shall be deemed to have been given as set out above. "Business day" shall mean any day which is not a Saturday or Sunday or a statutory holiday in the Province of Ontario.

10. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable herein. The parties hereto submit themselves to the exclusive jurisdiction of the Courts of the Province of Ontario.
11. The burden and benefit of this Agreement shall run with the Lands and everything herein contained shall operate to the benefit of, and be binding upon, the respective heirs; successors, permitted assigns and other legal representatives, as the case may be, or each of the Parties hereto.
12. Any amendments, modification or supplement to this Agreement or any part thereof shall not be valid or binding unless set out in writing and executed by the parties with same degree of formality as the execution of this Agreement.

**IN WITNESS WHEREOF** the parties hereto have executed this Agreement by the hands of their duly authorized signing officers in that regard.

Per: \_\_\_\_\_

Name:

Title:

I have authority to bind the Corporation

**HYDRO ONE NETWORKS INC.**

Per: \_\_\_\_\_

Name:

Title:

I have authority to bind the Corporation

SCHEDULE "A"

Damage Claim

**THIS MEMORANDUM OF AGREEMENT** dated the \_\_\_\_\_ day of \_\_\_\_\_ 20XX

Between:

\_\_\_\_\_ herein called the "Claimant"

-and-

**Hydro One Networks Inc.**

\_\_\_\_\_ herein called "HONI"

**Witnesseth:**

The Claimant agrees to accept .....(\$ \_\_\_\_\_) in full payment and satisfaction of all claims or demands for damages of whatsoever kind, nature or extent which may have been done to date by HONI during the construction, completion, operation or maintenance of the works of HONI constructed on Lot(s) \_\_\_\_\_, Concession(s) \_\_\_\_\_ or according to Registered Plan No. \_\_\_\_\_ in the \_\_\_\_\_ of \_\_\_\_\_ of which property the Claimant is the \_\_\_\_\_ and which damages may be approximately summarized and itemized as:

**WITNESS**

**CLAIMANT**

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Address:

\_\_\_\_\_  
Address:

\_\_\_\_\_  
Address:

**HYDRO ONE NETWORKS INC.**

HYDRO ONE  
HST#

Per: \_\_\_\_\_  
Name:  
Title:

**I have authority to bind the Corporation**

**RELEASE AND WAIVER**  
**FULL AND FINAL RELEASE**

IN CONSIDERATION of the payment or of the promise of payment to the undersigned of the aggregate sum of [INSERT SETTLEMENT AMOUNT] (\$), the receipt and sufficiency of which is hereby acknowledged, I/We, the undersigned, on behalf of myself/ourselves, my/our heirs, executors, administrators, successors and assigns (hereinafter the "Releasors"), hereby release and forever discharge HYDRO ONE NETWORKS INC., its officers, directors, employees, servants and agents and its parent, affiliates, subsidiaries, successors and assigns (hereinafter the "Releasees") from any and all actions, causes of action, claims and demands of every kind including damages, costs, interest and loss or injury of every nature and kind, howsoever arising, which the Releasors now have, may have had or may hereafter have arising from or in any way related to [INSERT DESCRIPTION OF THE DAMAGE CAUSED] on lands owned by [INSERT PROPERTY OWNER NAME] and specifically including all damages, loss and injury not now known or anticipated but which may arise or develop in the future, including all of the effects and consequences thereof.

AND FOR THE SAID CONSIDERATION, the Releasors further agree not to make any claim or take any proceedings against any other person or corporation who might claim contribution or indemnity under the provisions of the *Negligence Act* and the amendments thereto from the persons or corporations discharged by this release.

AND FOR THE SAID CONSIDERATION, the Releasors further agree not to disclose, publish or communicate by any means, directly or indirectly, the terms, conditions and details of this settlement to or with any persons other than immediate family and legal counsel.

AND THE RELEASORS hereby confirm and acknowledge that the Releasors have sought or declined to seek independent legal advice before signing this Release, that the terms of this Release are fully understood, and that the said amounts and benefits are being accepted voluntarily, and not under duress, and in full and final compromise, adjustment and settlement of all claims against the Releasees.

IT IS UNDERSTOOD AND AGREED that the said payment or promise of payment is deemed to be no admission whatsoever of liability on the part of the Releasees.

AND IT IS UNDERSTOOD AND AGREED that this Release may be executed in separate counterparts (and may be transmitted by facsimile) each of which shall be deemed to be an original and that such counterparts shall together constitute one and the same instrument, notwithstanding the date of actual execution.

IN WITNESS WHEREOF, the Releasors have hereunto set their respective hands this ..... day of ....., 20XX.

SIGNED, SEALED & DELIVERED  
In the presence of:

\_\_\_\_\_  
Witness

SIGNED, SEALED & DELIVERED  
In the presence of:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name