



ONTARIO ENERGY BOARD

FILE NO.: EB-2005-0230

VOLUME: 1

DATE: June 20, 2005

BEFORE: Gordon Kaiser Presiding Member and Vice Chair

 Paul Vlahos Member

 Bob Betts Member

THE ONTARIO ENERGY BOARD

IN THE MATTER OF the Ontario Energy Board Act, 1998,
S.O.1998, c.15, Schedule B;

AND IN THE MATTER OF an application by Erie Shores Wind Farm Limited Partnership for an Order granting leave to construct transmission facilities to connect a wind farm to the transmission facilities of Hydro One Network Inc.

Hearing held at 2300 Yonge Street,
25th Floor, West Hearing Room,
Toronto, Ontario, on Monday,
June 20, 2005, commencing at 9:00 a.m.

Volume 1

B E F O R E:

GORDON KAISER	PRESIDING MEMBER AND VICE CHAIR
PAUL VLAHOS	MEMBER
BOB BETTS	MEMBER

A P P E A R A N C E S

MICHAEL MILLAR

Board Counsel

ANDREW TAYLOR

Erie Shores Wind Farm
Limited Partnership

MARY ANNE ALDRED

Hydro One Networks Inc.

DAVID BROWN

Independent Electricity
System Operator

BRYAN GILVESY

George and Margaret Gilvesy

I N D E X O F P R O C E E D I N G S

<u>Description</u>	<u>Page No.</u>
Aparances	1
Preliminary Matters	2
Erie Shores Wind Farm Limited Partnership Panel 1: Carvalho, Eratostene, Kumar, Crawley; Sworn	3
Examination by Mr. Taylor	3
Cross-examination by Mr. Millar	23
Questions from the Board	30
Re-examination by Mr. Taylor	34
Self-represented Panel 1: Gilvesy; Sworn	35
Opening Statement by Mr. Gilvesy	35
Cross-examination by Mr. Taylor	45
Cross-examination by Mr. Millar	50
Questions from the Board	51
Independent Electricity System Operator Panel 1: Singh, Falvo, Lubek; Sworn	66
Examination by Ms. Aldred	66
Cross-examination by Mr. Brown	72
Cross-examination by Mr. Millar	81
Questions from the Board	88
Procedural Matters	91
Closing Argument by Mr. Taylor	97
Closing Argument by Mr. Millar	107
Decision	116
Appendix A	126

E X H I B I T S

<u>Description</u>	<u>Page No.</u>
EXHIBIT NO. D1.1: CURRICULUM VITAE OF MR. VIV CARVALHO	4
EXHIBIT NO. D1.2: CURRICULUM VITAE OF MR. JOSEPH ERATOSTENE	6
EXHIBIT NO. D1.3: CURRICULUM VITAE OF MR. SUNIL KUMAR	8
EXHIBIT NO. D1.4: CURRICULUM VITAE OF MR. MIKE CRAWLEY	9
EXHIBIT NO. D1.5: PROPOSED FACILITIES	14
EXHIBIT NO. D1.6: SUMMARY OF PRE-FILED EVIDENCE	14
EXHIBIT NO. D1.7: REVISED MAP	15
EXHIBIT NO. D1.8: STATEMENT OF COMPLETION	19
EXHIBIT NO. D1.9: CURRICULUM VITAE OF MR. BOB SINGH	74
EXHIBIT NO. D1.10: FINAL DRAFT OF THE CUSTOMER IMPACT ASSESSMENT	74
EXHIBIT NO. D1.11: CURRICULUM VITAE OF MR. MIKE FALVO	74
EXHIBIT NO. D1.12: CURRICULUM VITAE OF MR. JACK LUBEK	75

U N D E R T A K I N G S

<u>Description</u>	<u>Page No.</u>
--------------------	-----------------

No undertakings provided during the hearing	
---	--

1 Monday, June 20, 2005

2 --- Upon commencing at 8:58 a.m.

3 MR. KAISER: Please be seated. The Board is sitting
4 today to hear an application filed January 18th by Erie
5 Shores Wind Farm Limited Partnership. This is an
6 application under section 92(1) of the Ontario Energy Board
7 Act. The applicant is seeking an order of this Board to
8 grant to obtain a leave to construct with respect to
9 certain transmission facilities which will connect the
10 applicant's wind farm on the north shore of Lake Erie to
11 the transmission facilities of Hydro One Network.

12 Can we have the appearances, please?

13 **APPEARANCES:**

14 MR. TAYLOR: Good morning, Mr. Chair, my name is
15 Andrew Taylor. I'm counsel for the Erie Shores Wind Farm
16 Limited Partnership.

17 MR. KAISER: Thank you, Mr. Taylor.

18 MS. ALDRED: Mary Anne Aldred, Mr. Chairman, counsel
19 for Hydro One.

20 MR. BROWN: David Brown, counsel for the Independent
21 Electricity System Operator.

22 MR. KAISER: Mr. Brown. Anyone else? Mr. Millar.

23 MR. MILLAR: Michael Millar for Board Staff, Mr.
24 Chair. And, Mr. Chair, there is a member of the public
25 here, as well. I invite him to introduce himself.

26 MR. GILVESY: Bryan Gilvesy. I'm representing my
27 parents, George and Margaret Gilvesy.

28 MR. KAISER: Any preliminary matters, Mr. Millar?

1 **PRELIMINARY MATTERS:**

2 MR. MILLAR: No, Mr. Chair. Mr. Mikhail has just
3 brought up a set of exhibits that we will be introducing,
4 so they are there. They are not exhibits yet, but they
5 will be throughout the course of the hearing.

6 MR. KAISER: Mr. Taylor.

7 MR. TAYLOR: Thank you, Mr. Chair. We're actually
8 waiting for one member of our panel, who should be here
9 momentarily. He just stepped out about five minutes ago.
10 But I can give you an overview of where we see things going
11 today. We have a panel here that's made up of members from
12 the Erie Shores Wind Farm Limited Partnership team who will
13 be discussing the -- giving an overview of the project,
14 discussing any changes that have been made to the project
15 that are not yet reflected in the evidence, and, as well,
16 answering obviously any questions that you or counsel may
17 have.

18 After this panel, we have a second panel that will be
19 comprised of two members from the IESO and one employee of
20 Hydro One. The Hydro One employee, Mr. Bob Singh, will be
21 here to discuss the CIA, final CIA, which has yet to be
22 filed.

23 And the two members from the IESO are here today to
24 discuss -- to discuss the IESO response to Board Staff's
25 Interrogatory No. 2A, and, as well, to talk about
26 congestion on the system and answer any questions that the
27 Panel may have in that regard.

28 So at this time, I'd like to introduce my first panel.

1 Sitting closest to me is Mr. Viv Carvalho. Next to him is
2 Joseph Eratostene. Next to him is Mr. Sunil Kumar, and
3 sitting next to him is Mr. Mike Crawley. Perhaps we can
4 have the witness panel sworn in.

5 **ERIE SHORES WIND FARM LIMITED PARTNERSHIP - PANEL 1:**

6 **Viv Carvalho; Sworn**

7 **Joseph Eratostene; Sworn**

8 **Sunil Kumar; Sworn**

9 **Mike Crawley; Sworn**

10 MR. BETTS: And the witnesses are sworn.

11 MR. TAYLOR: At this point, Mr. Chair, I'd like to
12 walk the witnesses through their credentials.

13 MR. KAISER: Okay.

14 **EXAMINATION BY MR. TAYLOR:**

15 MR. TAYLOR: We'll start with you, Mr. Carvalho. I
16 understand that you have a B.Sc. in electrical engineering,
17 honours, as well as a Ph.D. in power systems and an MBA; is
18 that correct?

19 MR. CARVALHO: Yes.

20 MR. TAYLOR: And that from 1967 to 1993 you worked
21 with Ontario Hydro?

22 MR. CARVALHO: That's right.

23 MR. TAYLOR: And in 1967, you were an analytical
24 planning engineer where you carried out detailed system
25 planning studies for incorporation of major generation
26 stations and for interconnected system operations; is that
27 correct?

28 MR. CARVALHO: Yes.

1 MR. TAYLOR: I might add, also, that this resume is in
2 the package of exhibits that is being left with the Panel
3 members.

4 MR. KAISER: Do you want to mark these?

5 MR. TAYLOR: Yes.

6 MR. KAISER: Mr. Carvalho's CV would be Exhibit D1.1.

7 **EXHIBIT NO. D1.1.: CURRICULUM VITAE OF MR. VIV
8 CARVALHO.**

9 MR. TAYLOR: And, Mr. Carvalho, in 1972, while at
10 Ontario Hydro, you became a transmission planning engineer
11 where you were responsible for the lease-cost transmission
12 plans for the bulk system; is that correct?

13 MR. CARVALHO: Yes.

14 MR. TAYLOR: And in 1977, you became a system -- I'm
15 sorry, in 1976 you became a supervising transmission
16 planning engineer where you were responsible for
17 transmission plans for northeastern and northwestern
18 Ontario?

19 MR. CARVALHO: Yes.

20 MR. TAYLOR: And in 1977, you were a system
21 performance manager where you were responsible for the
22 provision of limits and instructions for the secure
23 operation of Ontario Hydro grid system and of the impacts
24 of interconnected system transactions and operations?

25 MR. CARVALHO: Yes.

26 MR. TAYLOR: Then in 1986, you became a resource
27 utilization manager where you were responsible for short-
28 term plans for optimum utilization of capacity and energy

1 for the Ontario Hydro system and for implementing the plans
2 through system control centre instructions and operator
3 training?

4 MR. CARVALHO: Yes.

5 MR. TAYLOR: And then in 1991 you became a manager of
6 information management and operations where you were
7 appointed to do management function, responsible for
8 improving performance by leading the planning and
9 implementation of plans for improved access flow of
10 information involving process improvement, information
11 technology implementations?

12 MR. CARVALHO: Yes.

13 MR. TAYLOR: And then from 1993 to 2001 you were a
14 senior staff specialist with -- power system planning with
15 Acres International?

16 MR. CARVALHO: Yes.

17 MR. TAYLOR: And in that capacity you designed the
18 process and first version of the 10-year and 18-month
19 outlook for Ontario power system for the IMO?

20 MR. CARVALHO: Yes.

21 MR. TAYLOR: And since 2001 you have been operating as
22 a consultant on system planning engineering?

23 MR. CARVALHO: Yes.

24 MR. TAYLOR: Can you please tell me what your
25 involvement has been with the Erie Shores Wind Farm
26 project?

27 MR. CARVALHO: Yes. I carried out initial studies for
28 the system impact assessment for the IMO, under IMO

1 direction.

2 MR. TAYLOR: Okay, thank you. This would have been a
3 study that was submitted to the IESO for the purpose of
4 creating the SIA, system impact assessment?

5 MR. CARVALHO: That's right. It's the appendix to the
6 SIA.

7 MR. TAYLOR: Mr. Eratostene. We have a resume in that
8 package, as well, Mr. Chair, the resume for Mr. Eratostene.
9 Perhaps you would like to label it as an exhibit.

10 MR. MILLAR: D1.2.

11 **EXHIBIT D1.2: CURRICULUM VITAE OF MR. JOSEPH**
12 **ERATOSTENE.**

13 MR. KAISER: Thank you.

14 MR. TAYLOR: Mr. Eratostene, you are a professional
15 engineer.

16 MR. ERATOSTENE: Yes, I am.

17 MR. TAYLOR: And you obtained an BS in mathematics
18 from the University of Toronto in 1983?

19 MR. ERATOSTENE: Yes.

20 MR. TAYLOR: And a BA in electrical engineering from
21 the University of Toronto in 1990?

22 MR. ERATOSTENE: A Bachelor of Applied Science, BSc.

23 MR. TAYLOR: Okay, thank you. And from 1990 to 1994,
24 you were a field service engineer with Westinghouse Canada?

25 MR. ERATOSTENE: Yes.

26 MR. TAYLOR: Okay. And from 1994 to 1995, you were an
27 electrical specialist, technical services division, public
28 works, with the Federal Government of Canada?

1 MR. ERATOSTENE: Yes.

2 MR. TAYLOR: And while there, you commissioned
3 electrical projects, road specifications, energy studies
4 and evaluations, drawings, reports; you supervised
5 installations of projects and worked closely with
6 contractors?

7 MR. ERATOSTENE: Yes.

8 MR. TAYLOR: And then from 1995 to 2000, you were the
9 engineering manager and president of EZ Engineering Inc.?

10 MR. ERATOSTENE: EZ Engineering, yes.

11 MR. TAYLOR: Thank you. This was a small engineering
12 firm that provided electrical, instrumentation and database
13 engineering services for Ontario and B.C.?

14 MR. ERATOSTENE: Yes.

15 MR. TAYLOR: And from 1999 to 2001, you were an
16 electrical division manager, lead electrical designer, and
17 instrumentation designer of a Toronto consulting firm?

18 MR. ERATOSTENE: Yes.

19 MR. TAYLOR: What was that consulting firm?

20 MR. ERATOSTENE: Acres & Associated.

21 MR. TAYLOR: Thank you. And since then you've been
22 working with MacViro.

23 MR. ERATOSTENE: Sorry, I had two years with CH2M Hill
24 as the group leader for their electrical and INC work. For
25 two years after Acres & Associated, I was with CH2M Hill
26 for two years.

27 MR. TAYLOR: Okay. And when did you start with
28 MacViro?

1 MR. ERATOSTENE: Two years ago.

2 MR. TAYLOR: Okay. And at MacViro, you are a business
3 unit leader for the power and automation group that's
4 responsible for all aspects of the electrical and
5 automation designs and upgrades at MacViro?

6 MR. ERATOSTENE: Yes.

7 MR. TAYLOR: Okay. And what was your involvement in
8 the Erie Shores project?

9 MR. ERATOSTENE: I'm one of the senior designers on
10 the Project, looking at -- you know, right from assisting
11 in the inspection of the wind turbines to assisting in the
12 connections, interconnections, designs. All aspects of it.

13 MR. ERATOSTENE: Okay. Thank you, Mr. Eratostene.

14 Let's move on to Mr. Sunil Kumar. Perhaps you would
15 like to mark this CV as an exhibit.

16 MR. MILLAR: D1.3.

17 **EXHIBIT NO. D1.3: CURRICULUM VITAE OF SUNIL KUMAR**

18 MR. TAYLOR: Mr. Kumar, you are a provincial engineer?

19 MR. KUMAR: That's correct.

20 MR. TAYLOR: You also hold your MBA.

21 MR. KUMAR: Yes.

22 MR. TAYLOR: And you're a business manager, energy
23 solutions, with MacViro?

24 MR. KUMAR: Correct.

25 MR. TAYLOR: And I understand that you have over 24
26 years of experience in the energy and environmental fields?

27 MR. KUMAR: Yes.

28 MR. TAYLOR: And I understand that recently you've

1 been leading MacViro's projects in the wind sector and have
2 been involved in over six potential projects?

3 MR. KUMAR: That's correct.

4 MR. TAYLOR: Are those potential wind projects?

5 MR. KUMAR: That's correct.

6 MR. TAYLOR: Okay. And can you tell me what your
7 involvement in the Erie Shores project has been?

8 MR. KUMAR: Yes. MacViro was retained by AIM as the
9 owner's engineer and to do the environmental studies, and
10 I've been the project manager at MacViro working with AIM
11 on these aspects.

12 MR. TAYLOR: Thank you.

13 If we could move on to Mr. Crawley.

14 MR. MILLAR: His CV will be Exhibit 1.4.

15 **EXHIBIT NO. D1.4: CURRICULUM VITAE OF MIKE CRAWLEY**

16 MR. TAYLOR: Mr. Crawley, I understand you graduated
17 from University of Western Ontario in 1990, with a Bachelor
18 of Arts?

19 MR. CRAWLEY: That's correct.

20 MR. TAYLOR: And you worked with the Canadian Imperial
21 Bank of Commerce from 1995 to 2002; is that correct?

22 MR. CRAWLEY: That's correct.

23 MR. TAYLOR: And while you were there, from 1995 to
24 '97, you were a general manager of small business banking?

25 MR. CRAWLEY: Yes.

26 MR. TAYLOR: And you were involved in the development
27 and implementation of a new small business banking strategy
28 that involved the restructuring and retraining of the

1 CIBC's small business sales force.

2 MR. CRAWLEY: That's correct.

3 MR. TAYLOR: And then in 1998, you became a senior
4 consultant with CIBC, as well as Toronto Dominion Bank
5 corporate merger team, where you led an analysis of
6 competition law impediments related to small business
7 banking and proposed -- in the proposed CIBC and TD merger,
8 and developed a potential resolutions?

9 MR. CRAWLEY: That's correct.

10 MR. TAYLOR: And then from '98 to 1999, you were
11 director of small business banking where you led the
12 development of alternate sales transactions, channels and
13 created e-commerce offer?

14 MR. CRAWLEY: That's correct.

15 MR. TAYLOR: And then from 1999 to 2002, you were a
16 national sales leader, director of sales, for Bizmark which
17 explored growth opportunities in the small business market
18 that led to the creation of the new small business bank?

19 MR. CRAWLEY: That's right.

20 MR. TAYLOR: And from 2002 to the present, you've been
21 president and CEO of AIM PowerGen?

22 MR. CRAWLEY: That's correct.

23 MR. TAYLOR: Can you tell me what your functions have
24 been in that capacity?

25 MR. CRAWLEY: Sure. I've been responsible for the
26 overall corporate direction and strategy of AIM, including,
27 obviously, supplier selection, staffing, selection of new
28 employees, recruiting new employees, vendor negotiation,

1 land optioning, negotiation of agreements with municipal
2 governments and other required permits, as well as
3 development of projects that we have under development in
4 Ontario and other provinces across Canada.

5 MR. TAYLOR: Thank you.

6 At this time, with the Panel's permission, I'd like to
7 walk our witness panel through a high-level overview of the
8 Erie Shores project.

9 MR. KAISER: Please proceed.

10 MR. TAYLOR: Thank you.

11 Why don't we start with you, Mr. Crawley. Can you
12 please tell us a little bit about how the Erie Shores Wind
13 Farm came to be?

14 MR. CRAWLEY: Sure. In early 2002, AIM had identified
15 an area along the north shore of Lake Erie that, based on
16 historical weather data, seemed to have a superior wind
17 resource, a good wind resource. Upon further conversations
18 that we had with area landowners and some of the municipal
19 leaders in that area, we determined that it had good
20 suitability for development as a wind power facility or
21 wind project.

22 At that point we began more intensive negotiations or
23 discussions with landowners in the area and municipal
24 leaders and were able to gradually successfully negotiate
25 over 14,000 acres in land option agreements with private
26 landowners in the area.

27 We also worked in parallel with the municipal
28 governments in the area to determine routing for a

1 collector system and for transmission lines to take the
2 power up to a grid connection point within the Hydro One
3 system.

4 That involved the use of the Otter Valley utility
5 corridor. And those negotiations took place probably over
6 the better part of a year, a year and a half, with the
7 municipal governments in that area that owned that
8 corridor. And that provided a critical link in terms of
9 getting the power from the wind turbines that we were
10 planning to site along the shore of Lake Erie, but
11 approximately a 26-kilometre stretch of shoreline where
12 these turbines would be sited, up to a connection point in
13 the Hydro One grid.

14 MR. TAYLOR: Okay. Can you talk a little bit about
15 the government's request for proposal for new renewable
16 energy projects and your participation in that process?

17 MR. CRAWLEY: Yes. Last June, the government issued a
18 request for proposal for 300 megawatts of renewable power
19 in Ontario. We were one of the bidders. We bid a 99-
20 megawatt project in this area, in the Erie Shores area,
21 into that RFP. And we were informed in November that we
22 had been successful.

23 As part of that process, then, by being the successful
24 proponent, we executed an RES contract, or a power purchase
25 agreement, with the Ontario Electricity Finance Corporation
26 at the end of November. It's 20-year term for that
27 contract.

28 MR. TAYLOR: Okay. And can you please talk, just very

1 briefly, about the financial closing that's under way right
2 now.

3 MR. CRAWLEY: Yes. The debt financing of the wind
4 farm is closing at the end of this month, the end of June,
5 so there's a -- the lead financier is Sun Life Canada. And
6 there are also two banks involved in the financing as well.
7 We've obviously been working very hard over the last
8 three months to prepare for this financial close. And
9 there is -- as with any financing, there is always a number
10 of outstanding issues that you're dealing with as you get
11 up to the close. And one of the issues that the lenders
12 have certainly been focussed on is the lead to construct.
13 They've understood that there is a possibility that there
14 may not be a decision by the time they close, but it
15 certainly has been an issue of concern and is something
16 that is very much on the radar screen. And if there were
17 able to be a resolution by the end of this month, by the
18 financial close, it would be very helpful to the financing.

19 MR. TAYLOR: Thank you, Mr. Crawley.

20 Mr. Kumar, can you please walk the Panel and Board
21 Staff and Board Counsel through the project, taking us from
22 the wind farm all the way up the transmission line to the
23 connection to Hydro One system?

24 MR. KUMAR: Okay. I'll do that and I'll use the two
25 maps that we've got back here, so I'm going to be turning a
26 little bit. So if you lose my voice, please let me know.

27 MR. TAYLOR: And, actually, before you do, please, if
28 I can interrupt. In the exhibit packages that I've handed

1 out, we've included revised project descriptions and these
2 are revisions to the project description that was
3 originally included in the evidence. And the copies that
4 you have are black-lined so that you'll be able to identify
5 very easily what changes have been made to the project.

6 And, Mr. Kumar, as he walks through the transmission
7 route, will indicate where the corresponding change has
8 been made to the description of the project.

9 As well, there's a map in your package of exhibits
10 that reflects the changes to the project description, and
11 Mr. Kumar will explain the relevance of that map. Go
12 ahead, sir.

13 MR. MILLAR: Mr. Chair, shall we mark these --

14 MR. KAISER: Before the witness proceeds, let's mark
15 the proposed facilities -- I see it says Exhibit B, tab 3.
16 I guess that's out of the main evidence, but let's give
17 this a separate number.

18 MR. MILLAR: So that would be D1.5.

19 **EXHIBIT NO. D1.5: PROPOSED FACILITIES.**

20 MR. CHAIR: Then let's mark the map. Can we mark that
21 --

22 MR. MILLAR: I think there's a second document, Mr.
23 Chair, which is the summary of the pre-filed evidence.

24 MR. KAISER: All right.

25 MR. MILLAR: And that could be D1.6.

26 MR. KAISER: All right.

27 **EXHIBIT NO. D1.6: SUMMARY OF PRE-FILED EVIDENCE.**

28 MR. MILLAR: And then, finally, the map would be D1.7,

1 the revised map.

2 **EXHIBIT NO. D1.7: REVISED MAP.**

3 MR. TAYLOR: Go ahead, Mr. Kumar.

4 MR. KUMAR: So we have two maps back here. One is an
5 aerial map showing the overall project area, and the second
6 map is an enlargement of the Tillsonburg area. I'll speak
7 to this one first.

8 This shows the area of the wind turbines, which is
9 along the northern shores of Lake Erie. Roughly the
10 distance from west to east would be about 30 kilometres,
11 and there will be 66 wind turbines, 1.5 megawatts each.
12 These are the general electric SLE type. The power will be
13 collected through a 34.5 kV system and will be brought to a
14 substation located at this location.

15 That location is at the northeast corner of Glen Line
16 and Plank Road over here, and this is a property that's
17 owned by the owner.

18 At this point, the power will be stepped up from 34.5
19 KV to 115 KV via a transformer.

20 At this point, we utilize the Otter Valley utility
21 corridor for a distance of about 27 kilometres. The Otter
22 Valley utility corridor is managed and owned by the Town of
23 -- the Municipality in the Town of Tillsonburg. It used to
24 be an old CP rail line, and I believe about 10 to 15 years
25 ago the rail lines were taken out. The corridor is about
26 66 foot wide at the minimum point, and it goes up to about
27 100 foot at other sections.

28 And so from the transformer station up to the southern

1 end of the Town of Tillsonburg, we're using this Otter
2 Valley utility corridor.

3 As we get to the northern part of the town -- sorry,
4 the northern part of the Otter Valley utility corridor, at
5 the southern end of the Town of Tillsonburg, the corridor
6 ends approximately there. And on this map here, you can
7 see it ends here.

8 What happens at this point is that we now move into a
9 CP Rail line. This is an active railroad line about 20
10 metres wide. Hydro One already has some 27.6 kV lines in
11 this section here. They are on the eastern side of the
12 rail line, and we plan to be on the west side of the rail
13 line.

14 As we go up the CP Rail corridor up to Potter's Road,
15 which you can't see too well here but it's roughly there,
16 that's where we switch over. We cross the road and there's
17 a change in the evidence here. So if we go to the previous
18 -- the evidence, Exhibit B, tab 3, schedule 1, page 7 of
19 12, lines 12 to 16, that's where the change of evidence is.

20 MR. TAYLOR: I think Mr. Kumar is referring to Exhibit
21 D1.5.

22 MR. KAISER: What page was it again?

23 MR. KUMAR: Page 7.

24 And what the change is is in description of the
25 routing and this portion here. What happened was during
26 the -- there was some feedback from some local landowners,
27 concerns about where the line was originally going to be
going. So based on discussions with them, we shifted the

1 line over to the other side of the rail tracks.

2 So basically we shifted it over to the east side,
3 whereas it was previously on the west side.

4 MR. TAYLOR: If I could just interject. For
5 clarification, those landowners are intervenors in this
6 proceeding. Those are what we refer to as the Lorraine
7 Avenue landowners.

8 MR. KAISER: Is Mr. Gilvesy one of them?

9 MR. TAYLOR: No. Mr. Gilvesy's property is along the
10 Otter Valley utility corridor.

11 MR. KUMAR: So here we cross over. We're initially
12 within the CP Rail right of way, and then there's an
13 additional 10-metre easement that's been acquired from
14 private landowner Mr. Andy Jacko. We use that right of way
15 and up to this point here, where we go back to the CP Rail
16 line. We follow that curve. Again, there is an existing
17 Hydro One line in this section, as well.

18 We go up to this point, and then we again have
19 another private easement, 10-metre wide, from Mr. Cyril
20 Demeyere, and then we go north and we connect into the
21 Tillsonburg Junction.

22 And, again, I'd like to refer you to some change in
23 evidence on Exhibit B, tab 3, schedule 1, page 8, lines 11
24 to 17. There's been some change in the routing, as I've
25 discussed, and that's outlined in the evidence here.

26 And then Tillsonburg Junction is where we
27 interconnect into the Hydro One System. There's a 1.5 kV
28 line which comes Cranberry Junction, which is north here,

1 comes south and comes into Tillsonburg transformer station,
2 and we're connecting with the 115 kV line that's there.

3 And, again, I'd like to draw your attention to a
4 change in evidence, again, Exhibit B, tab 3, schedule 1,
5 page 9, lines 8 to 15, and the change here is the exact
6 location of the Tillsonburg Junction. Previously we were a
7 little bit northeast with the location of the Tillsonburg
8 Junction. Now we moved it to the location that's shown
9 here, and that was to meet the requirements of the property
10 owner, Mr. Demeyere.

11 The other change in the evidence is that the access
12 to this Tillsonburg transformer station will be through
13 Terra Lane only. In the evidence, we outline three
14 different options, but now it's going to be from Terra
15 Lane.

16 The other thing I would just like to point out is that
17 in the evidence, the description I've given described what
18 we expect to be the typical design. As we go into detailed
19 design, there might be some minor variations from this, but
20 they will not be material for this purpose here.

21 Some of the detailed design that I've discussed, it
22 may change as we get into the detailed design and
23 construction, but they're not material.

24 MR. TAYLOR: Mr. Kumar, can you tell us what the
25 status is of the EA process?

26 MR. KUMAR: Yes. If you refer to your evidence on
27 Exhibit B, tab 3, Schedule 1, at page 11 --

28 MR. TAYLOR: This is still Exhibit D1.5.

1 MR. KUMAR: Lines 8 to 12. Since we filed the
2 evidence, we have completed the environmental assessment
3 process for the province. There were no requests for
4 elevation of the project to a full environmental review,
5 and the statement of completion was submitted to the
6 Ontario Minister of Environment on May 16, 2005.

7 MR. TAYLOR: The statement of completion has been
8 included in your package of exhibits, as well.

9 MR. KAISER: So do I take it from that, Mr. Taylor,
10 that the environmental process has been completed?

11 MR. TAYLOR: Yes, sir.

12 MR. KAISER: No outstanding issues there?

13 MR. TAYLOR: No.

14 MR. KAISER: Mr. Millar?

15 MR. MILLAR: That would be D1.7 [sic], Mr. Chair, the
16 statement of completion.

17 **EXHIBIT NO. D1.8: STATEMENT OF COMPLETION**

18 MR. KAISER: Thank you.

19 MR. TAYLOR: Thank you, Mr. Kumar.

20 Mr. Eratostene, I'm looking at Exhibit D1.5. This is
21 the revised project description. Can you please talk about
22 changes that have been made to the project description in
23 regard to upgrades required to Hydro One's system, please?

24 MR. ERATOSTENE: Yes. Can I put that little drawing
25 up for a second, the block diagram?

26 MR. TAYLOR: If you need to.

27 MR. ERATOSTENE: Okay. Then I guess I don't.

28 MR. TAYLOR: You don't.

1 MR. ERATOSTENE: No.

2 Hydro One will be putting in a tapping station, or
3 poles, near Tillsonburg Junction. We call it Tillsonburg
4 Junction. They'll be putting in poles and conductors and
5 all the hardware associated from their 115 kV line to our
6 substation.

7 They're also going to be adding a transfer trip
8 system, so that will cause protection on their system. And
9 that will be at Buchanan, as well as the switching station.
10 They'll be providing telecommunication and telemetering of
11 equipment for communications. They will be also supplying
12 and upgrading their relays at the Buchanan transformer
13 station, and they will be providing a monitoring device at
14 the Tillsonburg TS, I believe, for their ULTC, underload
15 tap changer.

16 MR. TAYLOR: Thank you. And all of these changes have
17 been summarized on pages 11 and 12 of Exhibit D1.5.

18 Mr. Crawley, subject to the changes that we have just
19 discussed, do you adopt the evidence that we have filed?

20 MR. CRAWLEY: Yes, I do.

21 MR. TAYLOR: Mr. Kumar, do you?

22 MR. KUMAR: Yes, I do.

23 MR. TAYLOR: Mr. Eratostene, do you?

24 MR. ERATOSTENE: Yes, I do.

25 MR. TAYLOR: And Mr. Carvalho, do you?

26 MR. CARVALHO: Yes, I do.

27 MR. TAYLOR: Thank you.

28 There's one legal change that I'd like to bring to

1 your attention. It was a mistake that I made. It pertains
2 to the responses to Board Staff's interrogatories. It was
3 interrogatory 10, where it asked about outstanding
4 easements. The response indicates that there are
5 three easements outstanding with landowners. In truth,
6 though, the crossing over CPR's land is not actually an
7 easement that's being obtained, it's a licence that's being
8 obtained. CPR does not grant easements over its land. So
9 I just want to point that out for the record.

10 MR. KAISER: So there are two easements from private
11 landowners and one licence?

12 MR. TAYLOR: Well, in total there are three easements.
13 One is with the Otter Valley Utility Corp., which would be
14 with Tillsonburg and Bayham. Another one would be with Mr.
15 Andy Jacko. That one has been obtained. And then the
16 third one would be with Mr. Demeyere. And Mr. Crawley can
17 answer any questions that Board Counsel might have on the
18 status obtaining that easement.

19 MR. KAISER: But they've all been obtained?

20 MR. TAYLOR: No, they haven't. The only one that has
21 been obtained is from Mr. Jacko.

22 MR. KAISER: The Otter Valley one has not been
23 obtained?

24 MR. TAYLOR: Not yet.

25 MR. KAISER: When will that get obtained?

26 MR. TAYLOR: Why don't you give the status, Mr.
27 Crawley, of the easements.

28 MR. CRAWLEY: Sure.

1 The Otter Valley Utility Corridor easement has gone --
2 there's two municipalities that jointly own that corridor.
3 It's gone to Bayham council and has been approved. It is
4 substantially the same form of easement as we'd obtained
5 the option agreement for a year earlier. Simply, the
6 counterparty changed because of the nature of the financing
7 on the agreement, and there had been some small changes in
8 language to suit the lender for the project.

9 Because of that, it went back to Bayham council. It
10 was approved last week by Bayham council in that form, and
11 -- subject to revisions by their lawyer, which is happening
12 this week. And then it is also going to Tillsonburg
13 council on the 27th of June.

14 MR. KAISER: Is your financing contingent on these
15 easements as well?

16 MR. CRAWLEY: Yes.

17 MR. TAYLOR: Can you tell us what the status is of the
18 easement with Mr. Demeyere?

19 MR. CRAWLEY: With Mr. Demeyere, the easements -- the
20 counterparty's -- Annandale Heights is his company name.
21 And on that we're just negotiating final terms, which
22 should be finished by the end of this week.

23 MR. TAYLOR: And the licence to cross CPRs land, can
24 you tell us the status of that?

25 MR. CRAWLEY: Yeah. A form of licence has been
26 proposed by CP Rail which is, by and large, acceptable to
27 both the limited partnership and to the limited
28 partnership's lenders. And we anticipate having that

1 finalized in the next few days.

2 MR. TAYLOR: I open the panel for cross-examination.

3 MR. KAISER: Thank you.

4 Did you wish to proceed first?

5 MR. MILLAR: I'm not sure if counsel for the IESO or
6 Hydro One have any questions.

7 MR. KAISER: Mr. Brown, any questions?

8 MR. BROWN: No questions, Mr. Chair.

9 MS. ALDRED: No questions from me, Mr. Chair.

10 MR. KAISER: Mr. Gilvesy, do you have any questions?

11 MR. GILVESY: Not at this time.

12 MR. KAISER: Mr. Millar.

13 MR. MILLAR: Thank you, Mr. Chair.

14 **CROSS-EXAMINATION BY MR. MILLAR:**

15 MR. MILLAR: We were just speaking about easements,
16 Mr. Crawley, and just a couple more follow-up questions to
17 that.

18 This first question may be more a question for Mr.
19 Taylor than for you, but I'll open it to the panel. You
20 indicated that CPR -- or, pardon me, Mr. Taylor did, that
21 CPR does not grant easements, they issue licences over
22 their property. Could you please explain for the Panel
23 what the difference would be between a licence and an
24 easement?

25 MR. TAYLOR: I think that's something I should
26 probably take a shot at as it's a legal question. It's my
27 understanding -- I'm not a real estate lawyer, but it's my
28 understanding that an easement is a more permanent form of

1 tenure; that it runs with the land, it's registered on
2 title with the land registry office - do you want me to
3 repeat that? - whereas a licence is something that's more
4 akin to what you would see with a land-use permit that you
5 would obtain from the Ministry of Natural Resources. There
6 would be conditions. There would be a licence fee. But
7 it's a less -- it's not as strong a form of tenure in the
8 land.

9 MR. MILLAR: Thank you. What term would these
10 licences be for?

11 MR. CRAWLEY: Twenty years, with a five-year renewal.

12 MR. MILLAR: And what about the easements or -- help
13 me out. Again, I'm not a real estate lawyer either. Are
14 they permanent easements or are they for a term as well?

15 MR. CRAWLEY: The easements are for between 40 and 50
16 years.

17 MR. MILLAR: I see. Thank you. Okay. Just to
18 confirm what I've heard earlier, there are still -- you've
19 obtained one easement, and there are still two more
20 easements outstanding, and the licence with CPR is still
21 outstanding.

22 MR. CRAWLEY: That's correct. To be clear, with
23 respect to Annandale Heights, we have an option agreement
24 with an easement that can be exercised at our sole
25 discretion. All that's remaining is just negotiation of
26 some of the final terms and details of that easement, but
27 it's optional, at our sole discretion.

28 MR. MILLAR: Okay.

1 MR. CRAWLEY: As is the option agreement with the
2 Otter Valley Utility Corridor.

3 MR. MILLAR: And in terms of the forms of these
4 easements, did you or your company prepare the easement
5 forms?

6 MR. CRAWLEY: With our counsel.

7 MR. MILLAR: With your counsel, of course. And did
8 you offer essentially the same form of easement to all of
9 the landowners?

10 MR. CRAWLEY: Yeah. The form is the same.

11 MR. MILLAR: Okay. I have a form of the easement, a
12 draft of the easement, with me, and I understand it was in
13 response to an interrogatory. But I just want to make sure
14 it is on the record. Did you provide a form of easement in
15 response to an interrogatory?

16 MR. TAYLOR: Yes, we did.

17 MR. MILLAR: Okay. Because I didn't see it in the
18 main binder that came with the interrogatories.

19 MR. TAYLOR: That's right.

20 MR. MILLAR: Okay. Thank you.

21 And just to confirm, in the event that you were not
22 able to obtain an easement from any of the landowners or a
23 licence, for example, I assume the project would not be
24 able to go ahead, or at least as it currently stands

25 MR. CRAWLEY: I wouldn't say that. To be clear,
26 again, with Annandale Heights, we have an option that we
27 exercise at our sole discretion. So it's a matter of some
28 final details to be worked out with the landowner. So with

1 respect to the CPR, we were not able to conclude a licence
2 agreement with CPR, which we don't anticipate being a
3 problem at this point. There is alternate routing that we
4 have explored, but we expect that we should be able to get
5 that finalized in the next few days.

6 MR. MILLAR: But as a worst-case scenario, if that
7 were not to happen, you would be looking at changing the
8 route?

9 MR. CRAWLEY: As a worst-case scenario, yes, that
10 would be the alternative.

11 MR. MILLAR: And I assume that would require a revised
12 application, if that were necessary?

13 MR. CRAWLEY: That would be my understanding.

14 MR. TAYLOR: If I could just jump in for a moment,
15 just so it's understood, if we were unable to obtain
16 easements for the Otter Valley utility corridor or for the
17 Demeyere property, then we obviously would have the --
18 could rely on the mechanisms under the Ontario Energy Board
19 Act for authorization to expropriate. I would imagine that
20 would be the worst-case scenario.

21 MR. MILLAR: Oh.

22 MR. TAYLOR: In regard to CPR's land, it's a
23 federally-regulated entity and, therefore, there are
24 mechanisms in place for obtaining authorization to cross
25 its property. And those mechanisms exist under the
26 Canadian Transportation Act, and specifically section 101
27 of that act grants authority to the Canadian Transportation
28 Agency to authorize a crossing of a railroad or railroad

1 property.

2 So if, worst-case scenario, we were unable to obtain
3 authorization or licence from CPR, at that point we would
4 not be back before the Ontario Energy Board seeking to
5 expropriate. We would be before the Canadian
6 Transportation Agency seeking authorization to cross.

7 MR. CRAWLEY: And if I could add, just to be clear,
8 with respect to the CPR licence, CPR has much earlier
9 agreed to grant us a licence, and all that's changed is
10 that based on comments from our lender, we've gone back to
11 ask for some different terms. And that's where we've
12 received verbal agreement and we're just finalizing the
13 details.

14 MR. MILLAR: I understand. Thank you.

15 MR. KAISER: In any event, Mr. Taylor, for the purpose
16 of this application, is it acceptable to your client that
17 if we were to grant a leave to construct, it would be
18 conditional upon obtaining the necessary licences and
19 easements? Is that an acceptable condition?

20 MR. TAYLOR: Yes, it would be, Mr. Chair.

21 MR. MILLAR: Moving on to the environmental
22 assessment, first I'd like to point out an error I made. I
23 marked the statement of completion as Exhibit D1.7. The
24 map is actually already D1.7, so the statement of
25 completion should properly be D1.8.

26 I have a couple of questions about this document. Is
27 this document prepared the applicant; is that correct?
28 This is a statement of completion.

1 MR. CRAWLEY: Yes, that's correct.

2 MR. MILLAR: And what, if any, response or feedback do
3 you get from the government?

4 MR. CRAWLEY: Sunil?

5 MR. KUMAR: Yes. Maybe I could just clarify that. In
6 the process, before you actually file the statement of
7 completion, there's a notice of completion that needs to be
8 filed, and this was done for the project. And basically
9 it's filed and copies are delivered to adjacent landowners.
10 It's published in the newspaper, and then the public has a
11 30-day response period in which to provide comments back.

12 We did not receive any such responses and, based on
13 that, we filed the statement of completion. And the
14 statement of completion signifies the end of the
15 environmental process.

16 MR. MILLAR: Okay. So there's no additional feedback
17 required from the Ministry?

18 MR. KUMAR: No.

19 MR. MILLAR: Thank you. And you discussed today some
20 changes to the route of the proposed transmission line.
21 Does the environmental assessment reflect these changes in
22 the route?

23 MR. KUMAR: Yes, it does.

24 MR. MILLAR: Okay. And just to be 100 percent
25 clear, then, there's nothing further that has to be done
26 for the environmental assessment?

27 MR. KUMAR: That's right.

28 MR. MILLAR: We're going to address some of the

1 landowner issues briefly. I understand that the reason you
2 altered the route slightly was to accommodate the Lorraine
3 owners, as we call them, and I can't recall exactly how
4 many. I believe five of them filed letters of intervention
5 with the Board. And I understand you had discussions with
6 these landowners; is that correct?

7 MR. CRAWLEY: We did.

8 MR. MILLAR: And this route change was done to
9 accommodate them?

10 MR. CRAWLEY: That's correct.

11 MR. MILLAR: I notice that none of them are here
12 today, but have you received any feedback from the
13 landowners regarding these changes?

14 MR. CRAWLEY: Yeah. I believe we received feedback
15 from those landowners that they're satisfied with the
16 changes.

17 MR. MILLAR: Okay. And we note that Mr. Gilvesy is
18 here today. Could you just, for the Board's information,
19 point approximately to where his property is on the route,
20 if you know?

21 MR. KUMAR: I believe it's south of -- or it would be
22 somewhere in -- I don't know the exact location.

23 MR. MILLAR: All right. Mr. Gilvesy will point to it
24 exactly, but just for the Board's information. Have there
25 been any route changes conducted to accommodate Mr.
26 Gilvesy?

27 MR. CRAWLEY: No.

28 MR. MILLAR: Those are my questions. Thank you.

1 Are there any questions from the Panel, Mr. Chair?

2 **QUESTIONS FROM THE BOARD:**

3 MR. BETTS: Thank you. Just, I guess, one technical
4 question that just relates to the size of the easement.

5 It's my understanding that the pole structures will
6 be an H-frame, generally, two-pole H-frame? Is that...

7 MR. ERATOSTENE: At this time, that's one of the items
8 that may be changing. For the most part, they look like
9 they're going to be single poles now, single pole
10 structures.

11 MR. BETTS: And what would the height of those poles
12 be?

13 MR. ERATOSTENE: From what I remember, it's 50 feet.

14 MR. BETTS: And what is the easement that's allowed
15 for that corridor, the width?

16 MR. CRAWLEY: Sorry, what's the width? The width
17 varies between 20 and 30 metres.

18 MR. BETTS: I noticed there was one easement that
19 referred to a 10-metre width. What would that one be?
20 That was in the revised evidence.

21 MR. KUMAR: Maybe I could just clarify. The CP Rail
22 is within the 20 to 30 metres, and some of the additional
23 easements that AIM is obtaining, for example, the Andy
24 Jacko and Cyril Demeyere properties, those are 10 metres.

25 MR. BETTS: Which is less than the height of the pole?
26 If the pole were to fall over, it falls on the neighbouring
27 property, is that correct?

28 MR. KUMAR: Yeah, I think if it falls over, then it

1 would be there, right.

2 MR. BETTS: Then I'll just ask this question, which
3 will probably help everybody. Is 10 metres in that case a
4 standard easement width, or is -- it seems as though it's
5 on the -- a typical road allowance, for example, is 66
6 feet, which is 20 metres. Is 10 metres a reasonable width
7 to operate within?

8 MR. CRAWLEY: We believe it is. There's also an
9 existing Hydro One line along the CP Rail line, as well.

10 MR. BETTS: Okay. And just a final question along
11 that same line.

12 Ten metres is ample for you to perform all of the
13 maintenance that's required on that -- the line within that
14 10-metre easement?

15 MR. CRAWLEY: Yes, it is. And the design builder has
16 reviewed it, as well.

17 MR. VLAHOS: Mr. Taylor, if I may just ask you this
18 question. Could you remind the Panel again, what is the
19 authority of this Panel or the Board with respect to the
20 easements issue?

21 MR. TAYLOR: Sorry, I don't understand your question,
22 Mr. Vlahos.

23 MR. VLAHOS: Well, there's the issue of the easements.
24 What is the authority of this Board? What is its
25 responsibility with respect to this application on the
26 easement issue?

27 MR. TAYLOR: It's my understanding that this Board, as
28 a condition of approval required on all easements, all

1 licences and permits, be obtained prior to construction.

2 MR. VLAHOS: Okay. And you mentioned that to the
3 extent that some of the easements may not be obtained, then
4 you have the legal right, or the applicant, to come before
5 this Board to what?

6 MR. TAYLOR: Well, if leave were granted under section
7 92, then under section 99 of the OEB Act, the applicants
8 would have the right to come to the Board and ask for
9 authorization to expropriate, because the applicants
10 wouldn't be able to start construction until they obtain
11 the necessary land rights.

12 MR. VLAHOS: Okay. So you would need an approval
13 under section 92 first by this Panel.

14 MR. TAYLOR: Yes. In order to be eligible for -- to
15 come to the Board and request an order for expropriation,
16 you would have to have leave to construct.

17 MR. VLAHOS: Okay. Thank you, sir. Those are all my
18 questions.

19 MR. KAISER: Mr. Taylor, you filed today the customer
20 impact assessment dated June 17th, 2005. It says: "Final
21 Draft." Does that mean there's going to be a final
22 document? Is this a provisional document or is this a --

23 MR. TAYLOR: It's my understanding, Mr. Chair, from a
24 conversation with Hydro One representatives here today,
25 that a final document will be completed and provided to the
26 Board. What you're looking at here is a draft that
27 reflects all of the changes that will be incorporated into
28 the final document. It's labelled "Draft" for a couple of

1 reasons.

2 One, the changes from the version that was originally
3 filed with the Board are highlighted.

4 MR. KAISER: That was the one dated April 18th?

5 MR. TAYLOR: That's correct. So that you can see
6 exactly how it's been revised, number 1.

7 Number 2, there are two signatures missing from the
8 front page.

9 MR. KAISER: I see that.

10 MR. TAYLOR: And it's my understanding that the reason
11 for the absence of those signatures is that those two
12 individuals are on strike. I'm not sure when they'll be
13 back and able to sign the document, but the document that
14 they do sign will be the same as the one that we filed
15 today.

16 And Mr. Singh from Hydro One, who will be on our
17 second panel, I'm sure, will be able to answer these
18 questions a lot better than I am.

19 MR. KAISER: The changes that you've just alluded to -
20 I'm looking at page 7 - I'm not an engineer, but are any of
21 these relevant? I'm talking about the changes between the
22 April 18th and the current version, dated June 17th.

23 MR. TAYLOR: I've been advised by Hydro One that none
24 of these changes are material, and that Hydro One's
25 customers will not be adversely affected by the project.

26 But, again, I would request that you would ask Mr.
27 Singh any of these questions. He'd be happy to answer
28 them.

1 MR. KAISER: I'll do that.

2 And, Ms. Aldred, also, if you would - you probably
3 intended to do this - but address this in final argument
4 just so we have the position of your client.

5 MS. ALDRED: Yes, sir, I'll do that.

6 MR. KAISER: Mr. Crawley, is your financing contingent
7 on this final document being signed off by Hydro One?

8 MR. CRAWLEY: No, it's not.

9 MR. KAISER: And, Mr. Taylor, with respect to the
10 system impact assessment, April 20th, that is the final
11 document?

12 MR. TAYLOR: Yes, it is.

13 MR. KAISER: Okay. There's no outstanding issues with
14 respect to that, as I understand it?

15 MR. TAYLOR: No, there are not.

16 MR. KAISER: Thank you.

17 **RE-EXAMINATION BY MR. TAYLOR:**

18 MR. TAYLOR: If I could follow up with one question
19 related to Mr. Betts' question regarding the easement and
20 the height of the poles. Will the transmission line be
21 built in accordance with CSA standards?

22 MR. ERATOSTENE: Yes, it will.

23 MR. TAYLOR: Thank you. That was the only question I
24 had.

25 MR. KAISER: Mr. Millar?

26 MR. MILLAR: Mr. Chair, we have one more panel today,
27 but we also have Mr. Gilvesy. I spoke with him before the
28 hearing today. He asked if he could make a statement

1 immediately after the applicant's evidence. I spoke with
2 Mr. Taylor; he was agreeable to that. I apologize, I
3 didn't have a chance to speak with my other friends here,
4 but if that's acceptable to them, then Mr. Gilvesy would
5 like to go next. I believe he intends to read a statement
6 into the record, and that way we don't have to take up his
7 entire way as well.

8 MR. KAISER: Any problems with that, Mr. Brown?

9 MR. BROWN: None whatsoever, Mr. Chair.

10 MR. KAISER: Ms. Aldred?

11 MS. ALDRED: No, that's fine.

12 MR. KAISER: Mr. Gilvesy.

13 MR. MILLAR: So perhaps, should we excuse the panel,
14 Mr. Chair? I'm not sure, should we swear in Mr. Gilvesy?

15 MR. KAISER: I suppose we should.

16 MR. MILLAR: So perhaps we could have Mr. Gilvesy come
17 up to the...

18 MR. KAISER: Thank you, gentlemen.

19 **SELF-REPRESENTED - PANEL 1:**

20 **Bryan Gilvesy; Sworn**

21 **OPENING STATEMENT BY MR. GILVESY:**

22 MR. GILVESY: Good morning. That loud enough?

23 I can't tell you how -- I'm very grateful to be here
24 this morning, but I can't tell you how intimidating it is
25 for like a country boy like me to get up at 4:30 and fight
26 this traffic for my first Ontario Energy Board hearing. So
27 forgive my nervousness.

28 My name is Bryan Gilvesy, and I'm representing my

1 parents, George and Margaret Gilvesy, who own approximately
2 12 acres of land on the south side of Eden. The property
3 fronts on to Plank Road, Highway 59, and the rearward
4 portion of the property has approximately a thousand feet
5 of frontage on to the Otter Valley -- what formerly was the
6 Otter Valley nature trail, now being called the Otter
7 Valley Utility Corridor.

8 I don't have a very impressive CV like the others, but
9 I can tell you that of the names that you've heard thrown
10 around here, like Potters Road and Demeyere and Jacko, I
11 grew up on Potters Road. Cyril Demeyere is our town
12 engineer. Jacko is a family friend.

13 We own the property immediately to the north of the
14 Demeyere property here in Tillsonburg, which we developed
15 into a 156-lot subdivision, which is now nearing
16 completion. There are eight lots left to be sold. That's
17 not to say that we're big-time developers. What it is to
18 say is I believe I have a firm understanding on how and why
19 people purchase residential properties in our particular
20 neck of the woods.

21 One of the things we've learned over the years in our
22 area is it's different than Toronto in some respects
23 because people won't put up with as much. We don't have
24 to. Lots are bigger. Trees are more plentiful. But I can
25 say, no matter where you live, if you ask 100 percent of
26 the people, even the engineers for Erie Shores, would you
27 prefer to live --

28 [Audio feedback]

1 MR. KAISER: Sorry about that.

2 MR. GILVESY: If you asked the question, Would you
3 prefer to live with a power line in your backyard, a
4 transmission line in your backyard, 100 percent of the
5 time, the answer would be, No, I would prefer to live
6 elsewhere.

7 So my basic argument is this: We have a residential
8 property that's nearing fruition as far as development, a
9 piece of land. There's now a transmission line there.
10 It's impacted our property values.

11 The idea behind the purchase of this property over ten
12 years ago by my father was, he was looking into the future
13 and he was saying, Look, we know that in our neck of the
14 woods residential severances in the country are grinding to
15 a halt, and recently that has happened. We know that the
16 MOE is forcing people in hamlets and villages like Eden to
17 put in sanitary sewer systems, and that has happened. We
18 know that water systems are coming to these villages.

19 And the third thing that impacted -- or the fourth
20 thing that impacted this particular property in Eden was it
21 just happened to be backing on what was at that point
22 called the Otter Valley nature trail. It was to be part of
23 the Canada-wide nature trails.

24 So, as you can see, we have a property here that's
25 maturing, it's coming to fruition. The market is coming to
26 us. There's a desire for people to live in the country,
27 but there's no more rural severances, so they're settling
28 in villages like Eden. Eden is only about 400 or 500

1 people. There's a little general store at the corner.
2 There's not even a stoplight. But it's the closest thing
3 to country living that you can get, without -- with the
4 lack of rural severances.

5 So the long-term plan was, and we're just entering
6 into that now, was to develop this 12-acre parcel into
7 approximately 34 residential lots.

8 Now, this coincided with the maturation of the
9 property we had in Tillsonburg, and we'll be moving over
10 and proceeding with the development in Eden.

11 So essentially what we're saying is this transmission
12 line has a severe negative impact on our property values,
13 as it will become residential properties. And maybe not
14 even for me, but for the residents of Eden, they're
15 literally having a transmission line put in their backyard.

16 Now, when they moved to Eden and purchased their
17 properties, this is not what they bargained for and this is
18 not what we bargained for when we bought our properties.

19 The fact for us is that we believe that the corridor
20 as it stands is too narrow. My understanding is that when
21 Hydro One goes to put in a new transmission line, they
22 purchase 75-foot easements on both sides, and that's to
23 avoid a conflicting use. I mean, it's not like it's a
24 noise issue or anything like that, but it is a conflicting
25 use. People don't like to live by these things.

26 Now, in our community, if I wanted to build a dairy
27 barn in Eden, I would have to build it 1,500 feet from the
28 village limits. 1,500 feet is the minimum separation

1 distance for something like that, and the reason that
2 exists is because it's a conflicting use. And I would
3 argue that a transmission line and high-residential
4 properties, they don't run together.

5 Now, I would not dare to argue that this wind farm and
6 this new way of creating electricity is not in the public
7 interest, because I believe it is. However, I think quite
8 succinctly, in this particular circumstance, the Gilvesy
9 family and the residents of Eden, because this transmission
10 line is coming through their backyard, are being asked to
11 subsidize Erie Shores. If you make my connection, yes,
12 it's for the greater good, perhaps, but in the end, we're
13 taking a hit in our property values to benefit a for-profit
14 company called Erie Shores, not the greater good.

15 So I just wanted that distinction to be very clear.
16 We're taking property values from us and accruing it to
17 them, and no money has changed hands, and that's wrong.

18 So I believe that -- you must understand that the way
19 this corridor developed was through expediency. This was
20 not something that Erie Shores carefully put together this
21 route. This route existed. The municipalities of
22 Tillsonburg and Bayham could not come to some agreement as
23 to what to do with this nature trial, and, lo and behold,
24 we have the wind farm, and this suddenly becomes the
25 transmission corridor.

26 So, fundamentally, I'm just saying that that corridor
27 is fine, but for a place like the Village of Eden, it's too
28 narrow, it's too close to the village, and it needs to be

1 either moved outside of the village or the landowners must
2 be compensated or it must be buried.

3 So, in summation, the corridor is convenient and cheap
4 for Erie Shores, but I don't believe it's wide enough, and
5 it doesn't -- I believe if they're going to continue with
6 the overhead transmission lines, there should be wider
7 easements; or the project should not proceed up until such
8 time as they've completed a study as to the impact on the
9 residential properties in Eden and the landowners there be
10 compensated; or the line be buried or rerouted.

11 I just object to this portion within Eden. I know the
12 line that -- in Tillsonburg, because I'm familiar with
13 where that's going to run. There's already power lines
14 there. And the properties, including ours, have sprouted
15 up with that in plain sight, but this is a chicken and egg
16 situation. We were there first. Thank you.

17 MR. KAISER: Mr. Gilvesy, just a couple of questions.

18 Where is Eden on this map?

19 MR. GILVESY: The Village of Eden is right here.

20 MR. KAISER: So is it right in the middle of this
21 corridor now?

22 MR. GILVESY: If you see -- I don't know if you can
23 see it clearly. Highway 19 runs here. The corridor runs
24 here. There are homes on both sides of the corridor in the
25 village of Eden. Our property is in this triangle between
26 the highway and the corridor.

27 MR. KAISER: Sir, does the utility corridor as it now
28 stands run right through the village?

1 MR. GILVESY: Right through. Not exactly downtown,
2 but it will be in people's backyards.

3 MR. KAISER: There are residents currently on both
4 sides of the corridor?

5 MR. GILVESY: Exactly.

6 MR. KAISER: Now, in the corridor as it exists today,
7 is there not already a transmission line?

8 MR. GILVESY: No. The history of the area was this.
9 Port Burwell was a primary entry for coal, years back when
10 coal was used to heat their homes and things like that.
11 And that rail line existed to bring the coal up from the
12 lake. That rail line long since ceased to be functioning
13 and useful, and the municipality seized upon the
14 opportunity, about ten years ago, to try and turn it into a
15 nature trail.

16 That's how the municipalities came to own it, but they
17 couldn't ever come to an agreement between themselves as to
18 who would maintain it and fencing and keeping landowners
19 off and happy, and it was just a mess.

20 MR. KAISER: Did you appear before the two
21 municipalities that own this corridor and voice your
22 concerns?

23 MR. GILVESY: We've always had a good relationship
24 with several of the councillors and the mayors, and we've
25 always been in close contact with them. I just had one of
26 the councillors from Bayham at my home, and we've always
27 expressed our concerns.

28 The problem, of course, is we're in a region down

1 there that was heavily influenced by the tobacco industry,
2 which, as you've all heard, is in steep decline. And
3 municipalities like Bayham are always looking for something
4 to come in and help save the day, and certainly this serves
5 that purpose.

6 It's giving -- on the several towers they're doing,
7 it's certainly providing some income for some of the
8 landowners. It's bringing much-needed wealth into the
9 area, because there's about \$2- to \$400 million that's not
10 flowing into that area any longer because of the decline in
11 the tobacco industry.

12 So I'm afraid that the municipalities there are so
13 hungry for growth and to grab whatever economic thing they
14 can get, that sometimes we rush into things.

15 And, again, I just think that this is going to be here
16 for a lifetime, and it should be done properly the first
17 time.

18 MR. KAISER: Now, you mentioned there's, as I
19 understand, about 400 residents of Eden?

20 MR. GILVESY: Approximately. There isn't a sign on
21 the edge of the village. I'm just...

22 MR. KAISER: Right. Are you the only one that's
23 objecting?

24 MR. GILVESY: I've not seen all of them, and I believe
25 Michael would know better. I've not seen any of them
26 intervene, but I -- I -- I kept thinking on the way up here
27 this morning, Listen, I'm a university-educated fellow, and
28 I've been before the OMB, and I've done these sorts of

1 things. The people of Eden -- the average home is probably
2 \$120,000. These are people that work hard and these are
3 people that are used to having things rammed down their
4 throat from Toronto, believe me.

5 And I could give you example after example, but
6 there's just such an apathy towards this sort of thing that
7 they cannot be heard. I would suggest that if you had this
8 hearing in Eden on a Wednesday night around 7:30, you would
9 have a far different turnout, if you can understand what
10 I'm trying to say.

11 I'm just saying we're not talking of a community of
12 sophisticated people, of doctors and lawyers. We're
13 talking about working people.

14 MR. KAISER: Now, the housing developments that you
15 spoke of, as I understood it there were two of them. One
16 was north of the Demeyere property.

17 MR. GILVESY: Yes.

18 MR. KAISER: That's not going to be affected by this
19 development?

20 MR. GILVESY: No, it isn't. I was just trying to
21 indicate my -- that we are familiar with what people
22 traditionally look for in housing and that sort of thing.

23 MR. KAISER: And there was another housing development
24 you referred to, a smaller one. Where was that, or is
25 there just the one?

26 MR. GILVESY: Just the one. What I referred to was we
27 are about to begin the process to subdivide or -- do a
28 Planning Act subdivision in Eden with a 34-lot plan.

1 MR. KAISER: That's different from the Demeyere one,
2 the one that's north of Demeyere?

3 MR. GILVESY: Yes.

4 MR. KAISER: All right.

5 MR. GILVESY: That one, it's just filling up. It was
6 156 units.

7 MR. KAISER: Right. So it's the smaller one in Eden
8 that you're concerned about?

9 MR. GILVESY: Exactly.

10 MR. KAISER: And that was, what, 34 lots?

11 MR. GILVESY: Approximately.

12 MR. KAISER: That's all within the town?

13 MR. GILVESY: Yes.

14 MR. KAISER: On both sides of the corridor?

15 MR. GILVESY: No. It's only on the westerly side of
16 the corridor.

17 MR. KAISER: And where do you live?

18 MR. GILVESY: I live about five miles east.

19 MR. KAISER: So you're on the east side?

20 MR. GILVESY: Yeah.

21 MR. KAISER: Your housing development is on the west
22 side?

23 MR. GILVESY: Right.

24 MR. KAISER: And the housing development you're
25 referring to, the future housing development, does that
26 abut on the corridor?

27 MR. GILVESY: Yes, for over 1,000 feet.

28 MR. KAISER: Mr. Millar, any questions?

1 MR. MILLAR: I'm not sure if Mr. Taylor has any
2 questions.

3 **CROSS-EXAMINATION BY MR. TAYLOR:**

4 MR. TAYLOR: Sure. I do. Just in regard to the last
5 comment that you made about your property abutting on the
6 Otter Valley utility corridor, does it run adjacent to the
7 Otter Valley utility corridor?

8 MR. GILVESY: Yes.

9 MR. TAYLOR: Okay. So when you say that the
10 transmission line will run in your backyard, that's really
11 figurative, it's a matter of a figure of speech, it's not
12 actually going run through your property, is it?

13 MR. GILVESY: Oh, no. I'm sorry. No, it will not run
14 right through our property. Our property abuts to the
15 corridor, yes.

16 MR. TAYLOR: Okay. And that you said your property
17 value would be adversely affected as a result of the
18 transmission line.

19 MR. GILVESY: Absolutely.

20 MR. TAYLOR: Do you have any evidence to support that
21 position?

22 MR. GILVESY: My evidence is this: Would you prefer
23 to live with a transmission line in your backyard; yes or
24 no?

25 MR. TAYLOR: Well, what I think is really irrelevant,
26 but I just want to know if you have any evidence to support
27 your position.

28 MR. GILVESY: I'm not a professional appraiser. One

1 of the things I came here to say is, why not look at this?
2 There's no doubt. I mean, it's only anecdotal but 100
3 percent of the people would agree that it has a negative
4 affect. 100 percent of the people would say, I would
5 rather not have that in my backyard, and that tells me that
6 that reflects itself in a lower property value of the
7 property.

8 MR. TAYLOR: But you're only person from the town of
9 Eden who is here today who is complaining about this
10 transmission line.

11 MR. GILVESY: Yes.

12 MR. TAYLOR: And you haven't spoken to any other
13 people from the town of Eden who've asked you to represent
14 their interests here today.

15 MR. GILVESY: No, but I'm going to -- I don't know if
16 you've been to Eden before, or if you're familiar with the
17 people there or how things work in our part of the world.
18 I can tell you a small story about -- and maybe this is out
19 of line, but I'm going to tell the story anyways.

20 The people of Eden in our area, it's a tobacco-related
21 community. We just had hearings on the new Tobacco Control
22 Act. We had hearings in our community where people flooded
23 in to have their say about this Act. And the Act went
24 completely unchanged without any -- nobody listened to any
25 of the concerns of any of the residents. And that's just
26 typical about how the people feel in our area. Well,
27 nobody listens.

28 MR. TAYLOR: Well, isn't it true -- first of all, you

1 purchased this property that abuts the Otter Valley utility
2 corridor in 1994; correct?

3 MR. GILVESY: Correct.

4 MR. TAYLOR: And it's my understanding that the Otter
5 Valley utility corridor became the Otter Valley utility
6 corridor in 1997.

7 MR. GILVESY: Right.

8 MR. TAYLOR: And isn't it true that there were public
9 consultations in regard to creating the Otter Valley
10 utility corridor?

11 MR. GILVESY: The point I was trying to make was, if
12 you are buying a piece of land for investment purposes to
13 eventually develop into residential lots, the maturation of
14 this thing was coming nicely. I spoke earlier about the
15 cessation of the rural severances. I spoke about the
16 sanitary sewer coming into Eden, and I also spoke to the
17 fact that they were talking about constructing a nature
18 trail, which they could never agreed to. And it was called
19 the Otter Valley nature trail at that time. Now we're
20 calling it today "the utility corridor."

21 I'm just trying to make the point that all these
22 things were positives in the maturation, the development,
23 the adding to the property value of this particular piece
24 of property, and now that we have a utility corridor,
25 that's a negative to that value.

26 MR. TAYLOR: Well, I would suggest to you that, in
27 fact, in 1997, when the corridor was being discussed, it
28 was referred to as the Otter Valley utility and

1 recreational corridor; isn't that correct?

2 MR. GILVESY: I couldn't answer that accurately.

3 MR. TAYLOR: And you did participate in a public
4 consultation meeting, did you not, in 1997?

5 MR. GILVESY: I believe we did.

6 MR. TAYLOR: Okay. And did you voice your concerns
7 then?

8 MR. GILVESY: Well, it was very clear to us at that
9 time that it was to be part of the Canada-wide trail
10 network.

11 MR. TAYLOR: But did you voice your concerns?

12 MR. GILVESY: No, because we had absolutely no problem
13 with being part of a Canada-wide trail network. That would
14 add value to our property.

15 MR. TAYLOR: I see. There still will be a trail
16 there, will there not?

17 MR. GILVESY: I don't know.

18 MR. TAYLOR: You'll be happy to know there will still
19 be a trail there; it won't simply be a corridor that houses
20 utility poles. So knowing that, do you still think that it
21 will affect your property value?

22 MR. GILVESY: Absolutely. Because I think 100 percent
23 of the people 100 percent of the time would prefer not to
24 live with a power line, transmission line, abutting their
25 property.

26 MR. TAYLOR: Now, you said that you believe that this
27 investment in Bayham will be a good thing for Bayham, or it
28 will bring investment dollars into Bayham.

1 MR. GILVESY: No doubt.

2 MR. TAYLOR: But I suggest to you that your concern is
3 really about your own personal investment in the town of
4 Eden.

5 MR. GILVESY: Exactly. And my point is very clear.
6 If this goes through as stated, we're taking some of our
7 wealth and handing it to Erie Shores. We're not handing it
8 to Bayham Township or for -- if greater good, it's for the
9 benefit of Erie Shores. They have an option of going
10 underground here for the benefit of the residents of Eden,
11 or go around Eden, or even compensate the existing
12 landowners for their property value loss. None of this has
13 even been proposed to us. There's been no discussion with
14 us about our concerns. I think that's only right.

15 MR. KAISER: Mr. Taylor, is Erie Shores, as part of
16 the easement, paying money to the Township? Is the
17 Township getting compensated for this easement?

18 MR. TAYLOR: They pay for the easement.

19 MR. KAISER: Do you know how much?

20 MR. TAYLOR: To the townships.

21 MR. CRAWLEY: Yes. The easement -- excuse me, may I
22 respond?

23 MR. KAISER: Yes, go ahead.

24 MR. CRAWLEY: Sorry, Mr. Chair.

25 The easement agreement with the Township of Bayham and
26 the Town of Tillsonburg involves consideration, as do all
27 of the easements along the routing of the transmission
28 line.

1 MR. KAISER: So they're not getting it for free?
2 MR. CRAWLEY: That's correct.
3 MR. KAISER: You're not getting it for free.
4 MR. CRAWLEY: We're not getting it for free, that's
5 correct, Mr. Chair.

6 MR. KAISER: Thank you.

7 MR. TAYLOR: I have no further questions.

8 MR. KAISER: Mr. Millar?

9 **CROSS-EXAMINATION BY MR. MILLAR:**

10 MR. MILLAR: Just very briefly, Mr. Gilvesy.
11 Currently, you indicated the utility corridor is currently
12 completely empty; is that right?

13 MR. GILVESY: Yes.

14 MR. MILLAR: So there are no poles whatsoever
15 currently.

16 MR. GILVESY: No, no.

17 MR. MILLAR: Okay. Do you have any concerns, and I
18 know we spoke earlier before the hearing, but I just wanted
19 to get some things on the record here.

20 Do you have any concerns regarding electricity prices
21 as a result of this proposed transmission line?

22 MR. GILVESY: My understanding that this Board sits to
23 make sure that electricity prices are maintained at a
24 reasonable level before this project goes ahead. So no,
25 that wasn't a concern. I believe that that's what this
26 Board's duty is to do.

27 MR. MILLAR: So that's not one of your concerns here
28 today?

1 MR. GILVESY: No, sir.

2 MR. MILLAR: And I assume that you're not concerned
3 about the reliability of the system.

4 MR. GILVESY: No. I'm fully in support, we're fully
5 in support of the wind farm and everything else. We just
6 don't like the fact that a transmission line is coming
7 through the village of Eden.

8 MR. MILLAR: So you wouldn't have any concerns about
9 the quality of the electricity service resulting from this.

10 MR. GILVESY: No.

11 MR. MILLAR: Those are my questions, sir.

12 **QUESTIONS FROM THE BOARD:**

13 MR. KAISER: Mr. Taylor, you said earlier that a
14 nature trail was going to be maintained in this corridor.

15 MR. TAYLOR: It's my understanding is that this
16 corridor, it serves as a nature trail.

17 MR. KAISER: Currently?

18 MR. TAYLOR: Currently it does. There will be poles
19 and lines strung along the corridor as well, but it's my
20 understanding that will not affect the use as a nature
21 trail.

22 MR. KAISER: So what does that mean? I mean, if
23 hikers or whoever are going down this trail, there will
24 just be poles that they'll be walking by now? Or are the
25 poles going to be put in some special part of it?

26 MR. TAYLOR: I understand that the poles will be
27 placed down the centre of the corridor.

28 MR. KAISER: But that won't affect, I take it, from

1 what you just said, its current use as a nature trail.

2 MR. TAYLOR: It can still be used as a nature trail,
3 from what I understand. I think that by going down the
4 centre of the corridor, it would probably have less impact
5 on the landowners on either side of the corridor as well.

6 MR. KAISER: And how far would it be from the pole to
7 this gentleman's property?

8 MR. GILVESY: 33 feet.

9 MR. KAISER: 33 feet; is that correct?

10 MR. GILVESY: If that's how broad the easement is;
11 right?

12 MR. TAYLOR: Yes.

13 MR. KAISER: And you have a thousand feet abutting the
14 trail, is that what you're saying?

15 MR. GILVESY: It's over a thousand feet of frontage,
16 yes.

17 MR. KAISER: How many lots would that be that would
18 actually be abutting on the trail?

19 MR. GILVESY: It would be a significant portion of the
20 34. Just guessing, probably, maybe a third. Maybe up to a
21 third. We haven't got a firm idea of the plan yet.

22 MR. KAISER: How wide will your lots be?

23 MR. GILVESY: Oh, we'll be building 60-footers there.

24 MR. KAISER: 60.

25 MR. GILVESY: Yeah.

26 MR. TAYLOR: I should also point out that there was a
27 meeting that Erie Shores Wind Farm Limited Partnership had
28 in December 2004 with the residents of the town of Eden to

1 discuss the project.

2 MR. KAISER: When was that, December?

3 MR. TAYLOR: It was December of 2004. And if the
4 Panel would like, we'd be happy to put the witness up from
5 Erie Shores to discuss that meeting.

6 MR. KAISER: Were you at that meeting, Mr. Gilvesy?
7 December of 2004?

8 MR. GILVESY: No, sir. And I don't even know if my
9 father was in attendance. I don't know.

10 MR. KAISER: Thank you. Any other meetings, any other
11 consultation with the town of a public nature, other than
12 the December 2004 meeting?

13 MR. TAYLOR: Well, that was actually for the project.
14 There would have also been public consultations that would
15 have been conducted through the environmental assessment
16 process. And, again, there would have been consultations
17 in 1997 for the creation of the corridor. So, essentially
18 --

19 MR. KAISER: Well, in the '90s, and you referred to
20 this 1997 agreement, but at that time did they contemplate
21 a transmission line?

22 MR. TAYLOR: Well, all I can say is that it was -- in
23 the documentation I've seen, it was referred to as the
24 Otter Valley utility and recreational corridor. I don't
25 know the extent to which, you know, transmission lines were
26 discussed as part of those public meetings.

27 MR. KAISER: What was the purpose of that public
28 hearing? Was that when the line got transferred from

1 somebody to the two townships?

2 MR. GILVESY: It was for the purpose of the township
3 and the town going ahead with the nature trail.

4 MR. KAISER: Is that when they acquired title to it,
5 the two townships jointly?

6 MR. GILVESY: Yes, and they could never -- they ran
7 into problems with the Line Fences Act and with liability
8 issues, and things like that, so right now there's nobody
9 on the -- legally, on the trail there now. But the only
10 thing that I might say that's relevant to all this is we
11 only just saw the design of the transmission line as part
12 of this process. Nobody ever said whether the line was
13 above ground, below ground, steel, whatever. We didn't
14 know. Sure, the corridor was there. What's relevant is
15 we're talking about an above-ground transmission line.

16 MR. KAISER: Just clarify one point. Is it used
17 currently as a nature trail or not?

18 MR. GILVESY: Not legally. Legally, there's supposed
19 to be nobody on it, because they have never settled -- they
20 have run into problems with the abutting landowners with
21 the Line Fences Act. And basically this is what stopped
22 the thing from becoming a nature trail, because in order to
23 turn it into a nature trail, they had to fence both sides
24 of that property and take on the liability for that
25 property and they weren't willing to go to that extent.
26 They thought that the Act provided that the landowners had
27 to put up the fences, but this is 26 kilometres of fencing,
28 which would be several hundred thousand dollars of fencing

1 they didn't want to do. Plus, they've decided they didn't
2 want to come up with liability insurance.

3 There were other issues, as well. They wanted foot
4 traffic only; they wanted to keep the four-wheelers off;
5 that sort of thing.

6 MR. KAISER: So there's no fences now?

7 MR. GILVESY: There's fences in places, the old fences
8 from the railway days. There aren't a lot of livestock on
9 that corridor anymore, but it was fenced. Essentially we
10 just took our fence down last fall because it was tumbling
11 down and falling, but it was just the old livestock type of
12 fence.

13 MR. KAISER: Up until now, I take it you've been using
14 -- it's 12 acres you have, right?

15 MR. GILVESY: Yes.

16 MR. KAISER: You've been using it for agricultural
17 purposes?

18 MR. GILVESY: [Inaudible] ... rocks off the property.
19 We've got three rocks off so far and we've just been
20 cutting hay on it, that's all.

21 MR. KAISER: You have to go and get a severance on it
22 each time you decide a severance is necessary?

23 MR. GILVESY: Up until the ... [inaudible] ... but the
24 Planning Act was a favourable step for us now we've got
25 sanitary sewers, because the lot sizes under the severance
26 process included a septic bed on the site, so the lots had
27 to be fairly big. They had to be almost 200 by 200 to
28 accommodate the house and the septic bed. Now we've got

1 sanitary sewers, we'll have a much smaller lot size and a
2 much higher density.

3 MR. KAISER: So the three lots that you've severed
4 already are sold?

5 MR. GILVESY: Three are sold with houses on them, yes.

6 MR. KAISER: Are they abutting on this transmission
7 line?

8 MR. GILVESY: I believe their backyards abut to --
9 they front onto Highway 19 and they back onto the corridor.

10 MR. KAISER: And so two -- you've sold two of these
11 lots and people have built houses on them?

12 MR. GILVESY: Actually, we built the houses on each
13 lot, and then sold them together.

14 MR. KAISER: So those two properties, they're owned by
15 somebody else?

16 MR. GILVESY: Yes.

17 MR. KAISER: Are they complaining?

18 MR. GILVESY: They didn't formally complain in this
19 process, no. I believe there was no one listed as a --
20 from Eden in the process.

21 MR. MILLAR: That's correct.

22 MR. KAISER: Is that right, Mr. Millar?

23 MR. MILLAR: That's correct.

24 MR. KAISER: And the third lot, I take it, has been
25 sold -- has not been sold?

26 MR. GILVESY: No, not at this point.

27 MR. MILLAR: Mr. Chair, if I may just ask one more
28 question to be 100 percent clear. I apologize, I think I

1 have asked this before, but there's a little bit of
2 confusion in the evidence. I thought I had seen a
3 reference in the evidence that there are some pre-existing
4 wires running through the utility corridor, and perhaps
5 they're just not where you live, but are there any wires --

6 MR. GILVESY: [Inaudible] ... where we live, there's
7 nothing there.

8 MR. MILLAR: Not a thing.

9 MR. GILVESY: Not a thing.

10 MR. MILLAR: As far as you are aware, there's nothing
11 underground, either?

12 MR. GILVESY: As far as I'm aware.

13 MR. TAYLOR: If I could assist, there are no wires
14 around Eden. However, there are transmission lines in the
15 southern part of the Otter Valley utility corridor, and
16 those are Hydro One transmission lines.

17 MR. KAISER: That's what I thought you said in your
18 opening, that Hydro One had some transmission facilities in
19 this corridor.

20 MR. TAYLOR: It does.

21 MR. KAISER: Well, where do they start and where do
22 they stop?

23 MR. GAFUR: Through the Town of Straffordville.

24 MR. KAISER: So they go about halfway up?

25 MR. GAFFNEY: It's within about 44 kilometres, I
26 think, of Hydro One lines through that stretch of the
27 corridor.

28 MR. KAISER: That clarifies that, Mr. Millar.

1 MR. MILLAR: I have no further questions.

2 MR. KAISER: Mr. Vlahos?

3 MR. VLAHOS: Mr. Gilvesy, I guess a couple of things
4 to clarify for me. You're looking for, I guess, a
5 different routing as far as the Village of Eden is
6 concerned. So to the extent there is a different routing,
7 I guess there has to be some easement issues, as well, with
8 other, perhaps, private owners?

9 MR. GILVESY: I think there's one or three solutions.

10 You can either route around the Village of Eden, which
11 would be perhaps the most complicated. You could go
12 underground, and I don't understand the technical nature of
13 that. I know that in our subdivision we provide power to
14 the homes underground. There's no overhead in our
15 subdivision that we've constructed.

16 The third one is to simply compensate the landowners
17 and let's go, because, in the end, it's about the value
18 that's been taken from one party to the other. That's what
19 my argument is about.

20 MR. VLAHOS: Now, you said that your own property is
21 about 1,000 feet.

22 MR. GILVESY: Yes, of frontage.

23 MR. VLAHOS: Adjacent to the corridor?

24 MR. GILVESY: Yes.

25 MR. VLAHOS: So what is 1,000 feet in relation to the
26 full length of the township, of the village?

27 MR. GILVESY: Of the village? Actually, we pretty
28 much go -- it's pretty much the southerly half of the

1 village. We go to the southerly tip of the village.
2 Virtually, there's a couple of houses south of us. And we
3 nearly head to the centre of the village on the other side.
4 We back up to the homes that are on the other crossroads.

5 MR. VLAHOS: So I say it's about 2,000-plus feet,
6 then. You're talking about the corridor that would be
7 crossing the town?

8 MR. GILVESY: I would say perhaps even more. It's
9 probably a pretty good guess.

10 MR. VLAHOS: No more than 3,000, somewhere between 2
11 and 3,000?

12 MR. GILVESY: No. No. We're not talking -- it's not
13 a very big place.

14 MR. VLAHOS: And you never had an opportunity to speak
15 to the company representatives on this?

16 MR. GILVESY: No.

17 MR. VLAHOS: Have you attempted to?

18 MR. VLAHOS: No, we simply put our objection in to the
19 overhead transmission lines through this process.

20 MR. VLAHOS: Have you attempted to call them or seek a
21 meeting?

22 MR. GILVESY: No. Normally, if I've ever been
23 developing a piece of ground and I've had somebody object
24 to me, I usually go to try and mollify their concerns one
25 way or another. That's -- so I guess we've been waiting to
26 hear.

27 I mean, we formally made our objection, and I suppose
28 what we normally would expect is to hear from them in the

1 meantime before this hearing, so...

2 MR. VLAHOS: Okay. But you have noticed that there
3 have been public meetings about this or there have been
4 meetings where people in the village would be invited to
5 attend?

6 MR. GILVESY: Yes.

7 MR. VLAHOS: But you yourself haven't been part of
8 them.

9 MR. GILVESY: My father's been part of these hearings,
10 but we've never objected to the use of this corridor for
11 this. We're saying, Let's find a different way to do this.
12 Can't we go underground through the Village of Eden, for
13 instance?

14 We don't want to hold up this project. This is
15 definitely -- it's clearly for the greater benefit of the
16 residents of Ontario, and I know that's your mandate. I'm
17 just saying don't ask the Gilvesy family and the residents
18 of Eden to bear an undue portion to have the burden of the
19 costs? Let Erie Shores; if they're going to make a profit
20 off this project, let them carry the full burden.

21 MR. VLAHOS: I'm just going to go through the three
22 options. You talked about the compensation one, and you
23 talked about --

24 MR. GILVESY: Right.

25 MR. VLAHOS: Then there's going around the village.

26 MR. GILVESY: Yes.

27 MR. VLAHOS: If that's the case, there have to be
28 additional easements obtained, and the Township will not

1 get any easement payment. There would be presumably some
2 other third party.

3 MR. GILVESY: Right.

4 MR. VLAHOS: And the underground option, that's the
5 other option that you mentioned. Do you have any notion as
6 to what may be involved by way of expenses?

7 MR. GILVESY: Not at all.

8 MR. VLAHOS: You don't. And would you know if it's
9 more expensive or less expensive?

10 MR. GILVESY: I would surmise that it's tremendously
11 more expensive, otherwise they'd go underground all the
12 way.

13 MR. VLAHOS: Tremendously, if it's more than double?

14 MR. GILVESY: That I couldn't speak to.

15 MR. VLAHOS: You have not enquired? That has not been
16 something that you have not played in your mind as to, if I
17 were to argue before this Board about underground, what am
18 I causing by way of additional costs? That has not gone
19 through your mind?

20 MR. GILVESY: No, what has gone through my mind is:
21 What cost, if it goes overground, will I be contributing to
22 Erie Shores' coffers? That's what's been going through my
23 mind. That's the number that I've been concerned with.

24 MR. VLAHOS: So you're not suggesting underground,
25 you're simply saying to this Board: Board, find out more?

26 MR. GILVESY: That's what I'm suggesting. Look, this
27 is going to be here for a life time. If this is going to
28 indeed have a detrimental impact, then let's find a

1 solution to the problem. Listen, if it's going to knock
2 property value out of \$100,000, and we agree on \$100,000,
3 then the problem is solved, for instance, if that's the
4 solution we come to.

5 MR. VLAHOS: Okay. So just finally, you talk about a
6 thousand feet frontage to the corridor. And what would be
7 the length from the - I guess there must be a road - from
8 the road to the corridor? What would be the length of
9 that?

10 MR. GILVESY: It's a triangular property. So at one
11 point it's zero, and the other end, it's about -- I'm
12 guessing about 600 feet, or not quite, about 500 feet.

13 MR. VLAHOS: Thank you. And the way you envisage your
14 homes, still to be designed in terms of the planning, I
15 guess --

16 MR. GILVESY: Well, we have an idea of how we envision
17 that street running in. And basically, you had a street
18 running into the property, turning back with a cul-de-sac,
19 with homes along the exterior of the property, backing on
20 to the exterior.

21 MR. VLAHOS: Okay. And you say most of the homes,
22 then, based on that design, they will be adjacent to the
23 corridor?

24 MR. GILVESY: Not most. I'm just guessing right now,
25 very preliminarily, that perhaps a third.

26 MR. VLAHOS: A third.

27 MR. GILVESY: That would be a very rough estimate.

28 MR. VLAHOS: Mr. Gilvesy, thank you. Just finally,

1 150 homes you have built already or you're in the process
2 of building, plus another 34, potentially, in this second
3 property. Based on a population of 450, that's pretty good
4 growth. Where is it coming from?

5 MR. GILVESY: You must understand one thing, this is
6 exactly where the growth is coming from. There are two
7 areas where the growth is coming from. Number 1, rural
8 severances have effectively been stopped in Southern
9 Ontario. Both the Township of Bayham and the Township of
10 Norfolk, which is the adjoining township, allowed rural
11 severances. So every year there were some 20 or 30 lots
12 created in the countryside. They've since stopped doing
13 that because they see it as a conflicting use.

14 A house, a residential property, they don't see as
15 fitting in with a farm property next to it, because a
16 farmer may spray or spread manure or these sorts of things.
17 They consider that conflicting. So they've stopped that
18 process.

19 But what we haven't stopped is people's desire to live
20 in the country, and a little bit away from the towns. And
21 this is where we always envisioned Eden filling the gap.
22 Villages like Eden, and there's lots of them down in our
23 area, little villages like this where growth will come to
24 to fill that gap.

25 The third thing that is happening, and perhaps you
26 don't see it in Toronto, but we definitely do is, there's
27 so many people driving trucks these days. They can't live
28 within most town limits because there are subdivision

1 agreements preventing them from parking their trucks in the
2 towns. These are the type of people that are taking up
3 these country properties and these village properties,
4 because they haven't got the restriction about where they
5 park their trucks at night when they come home from
6 carrying their loads.

7 So we have got push to growing these communities. Make
8 no mistake.

9 MR. VLAHOS: Thank you, sir. Thank you, Mr. Chair.

10 MR. KAISER: Let me just clarify one thing. You
11 mentioned that a third of the lots are on this corridor,
12 and you told us earlier there were 12 lots, potentially?

13 MR. GILVESY: No, 12 acres, approximately, of land is
14 what there is.

15 MR. KAISER: How many lots?

16 MR. GILVESY: Approximately 34.

17 MR. BETTS: Just a couple of questions to help me
18 understand, I think, what you've emphasized to be the
19 visual effects of these poles and how they might affect the
20 value of your land.

21 You indicated that you have already put in one
22 subdivision in a different location. How is it serviced
23 electrically?

24 MR. GILVESY: Underground.

25 MR. BETTS: It's underground service.

26 MR. GILVESY: Yeah.

27 MR. BETTS: And the three properties that exist, two
28 that have houses on them and one that doesn't have a house,

1 at this location, how are they serviced?

2 MR. GILVESY: They're underground.

3 MR. BETTS: They're underground as well. So there are
4 no other wires in the area.

5 MR. GILVESY: No. Those times are long gone where
6 people want to see the wires in their residential
7 subdivisions.

8 MR. BETTS: Thank you.

9 MR. KAISER: Mr. Millar, any other questions?

10 MR. MILLAR: No. Thank you, Mr. Chair.

11 MR. KAISER: Mr. Taylor, any other questions?

12 MR. TAYLOR: No, I don't have any further questions.
13 But I have been advised by my advisor from Erie Shores that
14 the cost of burying the transmission line along the Otter
15 Valley utility corridor would be significantly higher than
16 the cost that is being factored into the Erie Shores Wind
17 Farm proposal, or response to the RFP with the government.
18 It would significantly change the costing. And it's my
19 understanding that we're talking in the neighbourhood of
20 about two or three times, the cost of burying it rather
21 than having an overhead transmission line.

22 MR. KAISER: And what would that be in dollars?

23 Mr. Taylor, we'll take the morning break now. You can
24 consult with your witnesses during that time. And do I
25 understand you have another panel?

26 MR. TAYLOR: Well, we do. We have a panel that will
27 be comprised of Hydro One witness as well as two witnesses
28 from the IESO.

1 MR. KAISER: Mr. Gilvesy, anything you wanted to add
2 to what you've already said?

3 MR. GILVESY: No, I just appreciate the opportunity to
4 come down and have our say.

5 MR. KAISER: Well, we appreciate your coming. And I
6 certainly don't like getting up at 4:30 in the morning any
7 more than you do, so thank you for coming.

8 MR. GILVESY: Thank you.

9 MR. KAISER: We'll come back in 15 minutes.

10 --- Recess taken at 10:35 a.m.

11 --- On resuming at 10:53 a.m.

12 MR. KAISER: Mr. Millar? Mr. Taylor, rather?

13 MR. MILLAR: Thank you, Mr. Chair. We have our second
14 panel now. There should be some new CVs in front of you.
15 I believe we'll be entering those as exhibits, but I'll
16 wait until we introduce the panel. Mr. Taylor, are you
17 leading this panel?

18 MR. TAYLOR: No. Actually, I'm not. The IESO's
19 counsel and Hydro One's counsel will be doing that.

20 MS. ALDRED: Certainly we can go first. That's fine.
21 Mr. Singh needs to be affirmed or sworn.

22 **INDEPENDENT ELECTRICITY SYSTEM OPERATOR - PANEL 1:**

23 **Bob Singh; Sworn.**

24 **Mike Falvo; Sworn**

25 **Jack Lubek; Sworn**

26 MR. BETTS: Mr. Chairman, the witnesses are sworn.

27 MR. KAISER: Thank you. Mr. Brown?

28 **EXAMINATION BY MS. ALDRED:**

1 MS. ALDRED: I think I was going to go first, okay.
2 Mr. Chairman, Mr. Brown and I were wondering whether it
3 would be convenient for us to do all of the witnesses in-
4 chief, and then the cross-examination to follow from there.
5 Is that --

6 MR. KAISER: Yes, that would be fine.

7 MS. ALDRED: Mr. Singh, I understand that you have a
8 master's of engineering, electrical power, from Memorial
9 University in Newfoundland?

10 MR. SINGH: Yes.

11 MS. ALDRED: And you're a member of the Professional
12 Engineers of Ontario, the North American Electrical
13 Reliability Council, NAERC, on their wind generation task
14 force; is that true?

15 MR. SINGH: Yes, I am.

16 MS. ALDRED: You're also a member of the Canadian Wind
17 Energy Association and the Association of Power Producers
18 of Ontario?

19 MR. SINGH: That's correct.

20 MS. ALDRED: And can you tell us what your current
21 position is with Hydro One?

22 MR. SINGH: I'm responsible for generation
23 connections, which involves CI assessments -- in connection
24 with CI assessments. I'm responsible for generation
25 connections through the Hydro One transmission and
26 distribution system, where assessments, whether they're on
27 the customer or on the distribution side system, are
28 carried out.

1 MS. ALDRED: And I understand you're been working for
2 Hydro One since approximately September of 2000, and prior
3 to that you worked for Toronto Hydro, and before that as an
4 engineer in Newfoundland; is that correct?

5 MR. SINGH: Yes.

6 MS. ALDRED: And I understand that the CIA or customer
7 impact assessment, which is being filed today, was prepared
8 under your supervision; is that correct?

9 MR. SINGH: Yes, it was.

10 MS. ALDRED: And you're therefore familiar with its
11 content? MR. SINGH: Yes, I am.

12 MS. ALDRED: Can you just explain for us briefly what
13 a customer impact assessment is and what type of impacts
14 are assessed?

15 MR. SINGH: Customer impact assessments are carried
16 out to understand and assess the impact of transmission
17 customers as a result of the generation connection.

18 MS. ALDRED: And in this particular case, how many
19 customers are potentially impacted by this connection?

20 MR. SINGH: In this particular case there are three
21 customers that are affected. All the three were local
22 distribution companies, Power, Hydro One Distribution, and
23 Tillsonburg Hydro.

24 MS. ALDRED: And have all of those customers been
25 given a copy of this report, and have they all commented
26 back on the contents of the report?

27 MR. SINGH: Yes, they have received a copy of the
28 report. They were also given the preliminary connection

1 impact assessment, and none of them have any comments
2 except -- sorry. None of them have any objections to this.
3 They were given the outcome of the report and they have
4 provided us comments, and we have incorporated their
5 comments into this final draft that you have in front of
6 you.

7 MS. ALDRED: And the copy of the customer impact
8 assessment which was filed this morning is labelled "Final
9 Draft". Is it not, in fact, the case that this particular
10 document could be immediately re-submitted as a final copy
11 and signed off just by you, rather than waiting for the
12 signatures of the two engineers?

13 MR. SINGH: Yes, it can be submitted. It's been fully
14 updated.

15 MS. ALDRED: And is it in fact the case that there are
16 no more changes expected?

17 MR. SINGH: No more changes expected.

18 MS. ALDRED: Now, if we look at the copy of the CIA
19 which was submitted this morning, we'll note that there are
20 some areas which are highlighted within the document where
21 there have been some changes made since the April copy; is
22 that correct, Mr. Singh?

23 MR. SINGH: That's true.

24 MS. ALDRED: And would you like to just highlight for
25 the Board those changes which you view as somewhat
26 significant in this document?

27 MR. SINGH: Yes, I would. What we've done, we have
28 highlighted the changes, the significant changes, and we

1 have also shown the information that existed before so that
2 you can compare what was there before and what it is now.

3 We've added the forward section, which is just next to
4 the front page, right after that.

5 There were some typos in the original document,
6 original CIA, which we have corrected. It was 34.5 kV by
7 mistake and should have been 27.6, so that's been
8 corrected.

9 The short-circuit study was done with three
10 transformers in service at Tillsonburg TS. Transformers
11 were replaced in November, up last year, and we are
12 undertaking the study with two transformers in service.
13 And that was the biggest impact that will be worth
14 mentioning in this document.

15 MS. ALDRED: And can you help the Panel by telling
16 them what page those changes would have been reflected on?

17 MR. SINGH: If you go to the page 5, at the top of
18 page 5 it says that:

19 "There are two transformers at Tillsonburg."

20 And go to page 6. Look at the changes in the table,
21 where we have shown the old numbers, as well as the new
22 numbers for short-circuit levels. And what's important to
23 focus on is the numbers at 27.6 kV, voltage level, because
24 that's where the customers are connected. That's where the
25 local distribution companies are connected.

26 So look at Tillsonburg 27.6 kV and Aylmer 27.6 kV.
27 Looking at table 1, for example, without the generation
28 connected, I'll just give you one example. The three-phase

1 fault level in the previous report was 6.4, and it drops to
2 5.3 at Tillsonburg.

3 MR. BETTS: Mr. Singh, Ms. Aldred, if you wouldn't
4 mind, it would help me a lot if Mr. Singh could be -- and
5 go back to this information, but help me by telling me what
6 a short-circuit study analysis is and, in as much as
7 possible, in layman's terms what it is that you're looking
8 for.

9 MR. SINGH: A short-circuit analysis provides the
10 values of currents that flow in when there is a fault in
11 the system. Basically, it looks at two values of faults,
12 three-phase faults and line development faults. So the
13 numbers that you see in the table, they are thousands of
14 amps. In brackets it says kilo amps. That's what that
15 stands for, thousands of amps.

16 So in the preliminary CIA that was submitted earlier
17 on, the number was 6,400 amps, 6.4 kilo amps. With two
18 transformers in service it's dropped to 5.3 kilo amps,
19 which is 5,300 amps.

20 So, in general, you see the drop at the short-circuit
21 level -- in the short-circuit levels at the buses where --
22 at the delivery points where the local distribution
23 companies are connected.

24 MS. ALDRED: Are there any other significant exchanges
25 from the report that was filed in April?

26 MR. SINGH: Basically, no, there's only a drop in the
27 short-circuit levels before and after the connection as a
28 result of the transformer changes.

1 MS. ALDRED: And I take it that a drop in the
2 short-circuit levels is a good thing?

3 MR. SINGH: Yes, it's a good thing.

4 MS. ALDRED: And are you satisfied that the Erie
5 Shores Wind project will not cause any adverse impacts on
6 the three customers involved?

7 MR. SINGH: No, it will not.

8 MS. ALDRED: So you're satisfied.

9 MR. SINGH: Satisfied, yes.

10 Just one other point, I wanted to mention that
11 Appendix B was added. That talks about, gives you the
12 summary of, the comments on the CIA and Hydro One Network
13 comments as well. So it basically concludes the customer
14 impact assessment report.

15 MS. ALDRED: Thank you, Mr. Singh.

16 **CROSS-EXAMINATION BY MR. BROWN:**

17 MR. BROWN: Mr. Chair, with respect to the IESO
18 panel, perhaps before I ask some questions and introduce
19 the panel, I can give you a bit of the background. As the
20 Panel knows, whenever a proponent proposed to connect to
21 the IESO-controlled transmission grid, the market rules
22 require that the proponent ask the IESO to conduct a
23 connection assessment.

24 That assessment is designed to ascertain whether or
25 not the connection would have any impact on the reliability
26 of the integrated power system. The results of that
27 assessment are contained in a document called: "The system
28 impact assessment report." One has been performed in this

1 case, and it's included in the evidence.

2 Generally, in the leave to construct applications,
3 the system impact assessment report speaks for itself
4 and folks from the IESO don't normally appear to testify.
5 However, during the course of the interrogatory process in
6 this proceeding, Board Staff asked some interrogatories of
7 the deponent, parts of which required the assistance of the
8 IESO to answer.

9 So the IESO did assist in answering, and the IESO is
10 advised by Board Staff that it would be useful if some of
11 the folks from the IESO could be here to answer some
12 questions.

13 And so they're here. They're happy to help and
14 provide you with information, primarily in two areas.
15 First, there are some questions surrounding the system
16 impact assessment report. In particular, the issue of
17 transformer ULTC, which I understand is under load
18 transformer changes, or something to that effect. Mr.
19 Falvo will correct me.

20 Mr. Michael Falvo, who's in the middle of the panel,
21 is the head of the department who authored the report.

22 Board Staff also asked some questions and indicated
23 that the Panel might want some assistance on the issue of
24 congestion, what impact, if any, the project would have on
25 congestion. No specific study has been done by the IESO
26 for this particular project, but Mr. Jack Lubek is here to
27 answer general questions that anyone, including the Board
28 Panel, might have on that issue.

1 So perhaps with that by way of background, I can
2 formally introduce the two gentlemen. And there are CVs
3 for Mr. Falvo and Mr. Lubek that I have provided to you.

4 Mr. Falvo, I'll start with you, first. You're the
5 manager of transmission assessment and performance at the
6 IESO, I understand.

7 MR. FALVO: Yes, that's correct.

8 MR. BROWN: And you've provided me with a copy
9 of your CV.

10 MR. FALVO: Yes.

11 MR. BROWN: And if I could ask for that CV to
12 be marked as the next exhibit.

13 MR. MILLAR: Yes, Mr. Chair. I apologize, we actually
14 missed two exhibits when we were speaking with Mr. Singh.
15 So first, I would propose to enter Mr. Singh's CV as
16 an exhibit. I believe that's D.1, I think we're at 9 now.

17 **EXHIBIT NO. D1.9: CURRICULUM VITAE OF MR. BOB SINGH.**

18 MR. MILLAR: And then there's also the final draft of
19 The customer impact assessment, which would be D.1.10.

20 **EXHIBIT NO. D1.10: FINAL DRAFT OF THE CUSTOMER IMPACT
ASSESSMENT.**

22 MR. MILLAR: And then if we move to Mr. Lubek first?

23 MR. BROWN: Mr. Falvo.

24 MR. MILLAR: Mr. Falvo, that would be D.1.11.

25 **EXHIBIT NO. D1.11: CURRICULUM VITAE OF MR. MIKE
FALVO.**

27 MR. MILLAR: And I assume you'll be doing Mr. Lubek's
28 next?

1 MR. BROWN: Yes, we will.

2 MR. MILLAR: So we'll just mark that as D.1.12.

3 **EXHIBIT NO. D1.12: CURRICULUM VITAE OF MR. JACK
4 LUBEK.**

5 MR. BROWN: Thanks.

6 Mr. Falvo, I understand that your staff prepared the
7 System impact assessment report for the Erie Shores
8 project, that report's been filed at Exhibit B, tab 3,
9 schedule 5?

10 MR. FALVO: Yes.

11 MR. BROWN: So you're in a position today to
12 answer some questions, if they arise, on that report?

13 MR. FALVO: Yes, I am.

14 MR. BROWN: I also understand that you assisted in
15 preparing some of the responses to the interrogatories that
16 Board Staff posed to the proponent of the project; correct?

17 MR. FALVO: Yes, I did.

18 MR. BROWN: You told me this morning that you were
19 reading over the interrogatory responses over the weekend,
20 and you noticed that a clarification should be made to one
21 of the responses.

22 MR. FALVO: Yes, that's right.

23 MR. BROWN: I believe that's a response to Board Staff
24 interrogatory question 4, Part A?

25 MR. FALVO: Yes, that's correct.

26 MR. BROWN: Could you explain to the Panel what
27 corrections should be made to the answer to question 4A?

28 MR. FALVO: Yes. In our response where we indicate

1 The percentage of time of the congestion, the hours are
2 correct, and the fraction is correct, but when it's
3 expressed as a percentage, we missed converting it.

4 So that should read 0.15 percent of time, or 13 hours,
5 And 0.08 percent of time, or 7 hours.

6 MR. BROWN: Mr. Lubek, turning to you, sir,
7 we've marked your CV as Exhibit D1.12. I understand you
8 are the senior analyst of market assessment at the IESO.

9 MR. LUBEK: Yes, I am.

10 MR. BROWN: Could you please describe to the
11 Board, briefly, what your responsibilities are in that
12 position.

13 MR. LUBEK: We do a number of activities. Perhaps I
14 could primarily focus on two of them.

15 The market assessment unit in general provides support
16 to the market surveillance panel in monitoring the market,
17 doing an occasional review or study for them, and when
18 they've produced their semi-annual reports, we're very
19 involved in providing them information for that.

20 There's a second area I'm considerably involved in as
21 well, which is related to congestion payments to market
22 participants. We review those congestion payments, and in
23 a large area, we look at whether there's an existence of
24 local market power. And if there is, we recover some of
25 those payments, we mitigate those when there is local
26 market power.

27 MR. BROWN: Now, Mr. Lubek, am I correct that
28 you did not play any role in preparing the system impact

1 assessment report for this project?

2 MR. LUBEK: That's correct.

3 MR. BROWN: Nor did you play any role in
4 preparing interrogatory responses?

5 MR. LUBEK: That's right.

6 MR. BROWN: Has the IESO conducted any specific
7 study of the impacts of the proposed facility on the IESO-
8 administered markets?

9 MR. LUBEK: No, we haven't.

10 MR. BROWN: Notwithstanding that, are you in a
11 position today to talk generally about the nature of the
12 impacts that new generation resources might have on the
13 IESO-administered market, such as on market prices or
14 congestion, settlement credits?

15 MR. LUBEK: Yes, I could speak to some of the
16 dynamics, the impact on the economics of the market.

17 MR. BROWN: Mr. Falvo, I'd like to go back to
18 you and just ask you a series of questions to clarify one
19 of the interrogatory responses that you gave some
20 information on.

21 Could I ask you to turn to the system impact
22 assessment report that your staff prepared. That's Exhibit
23 B, tab 3, schedule 5. And if you could go with me in that
24 report to what I believe is page 15, although they aren't
25 actually numbered. But the page I'm looking at has a table
26 under the heading: "Short-circuit current level" and then
27 there's a final heading at the bottom of the page entitled:
28 "Performance of transformer ULTC." Do you see that?

1 MR. FALVO: Mm-hmm.

2 MR. BROWN: Perhaps my first question to you, sir,
3 should be: Could you please explain for the Board what the
4 purpose is of an automatic ULTC facility and how such
5 facility operates?

6 MR. FALVO: Yes, I can. ULTC stands for under load tap
7 changer. It's a commonly used component on electrical
8 transformers. As you may know, transformers are used on the
9 power system to convert voltage from one level to another.
10 Most transformers have what we call a tap changing
11 mechanism that allows this voltage conversion to be
12 adjusted generally in the order of 10 to 20 percent.

13 And an under load tap changer mechanism is a mechanism
14 that will perform that function while the transformer is
15 still under load, without having to disconnect it or
16 interrupt the customer. And an automatic one will have an
17 automatic controller that will do that to adjust the
18 voltage to a specified target.

19 MR. ^D. M. BROWN: Now, if you look at page 15 of the
20 SIA report, under the heading "Performance of transformer
21 ULTC," the first sentence reads:

22 "Several transformers in the vicinity of the
23 proposed wind generation facility are equipped
24 with automatic ULTC facilities."

25 Just sort of keeping your finger there, if you could
26 turn back with me to the responses to undertakings that --
27 or to interrogatories that the IESO provided some
28 information on, and if I could ask you, sir, to turn to

1 Board Staff Interrogatory 2 on the document titled "IESO
2 Responses", and if you could turn with me to page 5 of 8 of
3 the IESO's response to question 2, you'll see part way
4 through the response, you've written, or your staff wrote:

5 "Given that there are no automatic ULTC
6 transformers electrically upstream of the Erie
7 Shores project, the IESO does not expect there
8 will be an increase in the number of transformer
9 tap changes at Tillsonburg due to the
10 facilities."

11 So in the system impact assessment report, there's a
12 reference to some automatic ULTC facilities in the vicinity
13 of the project, but here in the IR response, there's a
14 reference to "no automatic ULTC transformers".

15 Is there a contradiction between those two pieces of
16 information, or is there some way to reconcile the two?

17 MR. FALVO: No, I believe both statements are
18 consistent.

19 There are automatic ULTC facilities at Tillsonburg and
20 Aylmer. However, those facilities are not in the upstream
21 series path from the project to Buchanan TS. They're in
22 parallel, not in series. So while they're in the vicinity,
23 they're not electrically upstream of the Erie Shores
24 project.

25 MR. ^D.M. BROWN: And it's in that sense that the
26 response to the interrogatory should be read?

27 MR. FALVO: That's right.

28 MR. BROWN: One final question, sir, and it goes back

1 to the system impact assessment report. If you could turn
2 with me towards the end of the report, there's a section
3 "10.0 Summary of Requirements". And in that section, on
4 the second page, if I could ask you to look at requirement
5 number 9, requirement number 9 states:

6 "Care must be taken to ensure that the duty cycle
7 of automatic ULTC facilities of existing
8 transformers not increase beyond current level
9 due to variations in the reactive power output of
10 the wind generation facility."

11 And perhaps you could explain the purpose of that
12 requirement and how you see that requirement being
13 satisfied.

14 MR. FALVO: That requirement was a general point that
15 we wanted to make to both the transmitter, Hydro One, and
16 to the connection proponent to be aware of the potential
17 for an impact on the duty cycle on the existing -- the OLTC
18 facilities and that they should take steps to monitor the
19 duty cycle to their satisfaction.

20 I understand from Hydro One that, I believe, they
21 intend to do that. They intend to monitor those facilities
22 to their satisfaction.

23 MR. BROWN: Thank you, Mr. Falvo. Mr. Chair, those
24 are all the questions I have, and I understand all three
25 members of the panel are now available for questioning.

26 MR. KAISER: Thank you, Mr. Brown. Mr. Millar, how do
27 you wish to proceed?

28 MR. MILLAR: Mr. Taylor, did you have any questions?

1 MR. TAYLOR: No, I don't.

2 MR. MILLAR: Okay. Then I'll proceed with the
3 cross-examination.

4 **CROSS-EXAMINATION BY MR. MILLAR:**

5 MR. MILLAR: I'll start with Mr. Singh and the
6 customer impact study. Now, the version we have here
7 today, I think you indicated on the direct examination it's
8 labelled as a final draft, and I believe you indicated that
9 you could actually submit this as a final draft today; is
10 that correct?

11 MR. SINGH: Yes.

12 MR. MILLAR: Is there a reason it hasn't been
13 submitted as a final draft today?

14 MR. SINGH: Yeah, one of the reasons was that you
15 could see the mark showing up in this, so the changes have
16 not been accepted in this draft. That's why it was marked
17 as a final draft, but once the changes are accepted and the
18 dates are changed and modified, yes, it could be accepted
19 as final draft.

20 MR. MILLAR: Now, it says at the bottom -- there are
21 spaces for three signatures -- well, four signatures,
22 actually. Two of them are Mr. Ellen and a Mr. Sabastin,
23 and I understand those are the gentlemen who are currently
24 on strike?

25 MR. SINGH: Yes, they are.

26 MR. MILLAR: And then under the signed portion,
27 there's yourself and a Mr. Nematula.

28 MR. SINGH: That's right.

1 MR. MILLAR: And it said it was revised by you and
2 this gentleman. Were you involved in the original
3 preparation of the report?

4 MR. SINGH: Yes, I was.

5 MR. MILLAR: Was that original report actually
6 prepared by Mr. Ellen and Mr. Sabastin?

7 MR. SINGH: Yes, they were.

8 MR. MILLAR: And what was your role in the original
9 draft?

10 MR. SINGH: I closely worked with those individuals,
11 and I reviewed the report before it went out.

12 MR. MILLAR: So were you involved in actually writing
13 the report?

14 MR. SINGH: I was involved in reviewing it and working
15 with Mr. Ellen and Mr. John Sabastin.

16 MR. MILLAR: Now, in the original draft there was not
17 a space for your signature. Why wouldn't your signature
18 have been attached to the original document?

19 MR. SINGH: The original draft was basically part of
20 the package that was sent out to all our proponents, and my
21 signature was right on the letter that went out. And there
22 were a number of things attached to that, and this was one
23 of them. So, yes, the package was going out under my name
24 and there were attachments inside this. Other individuals'
25 names were on those.

26 MR. MILLAR: Would this document itself have been
27 signed by you if these gentlemen weren't on strike?

28 MR. SINGH: They could have signed it, but I would

1 still have to review it and basically authorize it.

2 MR. MILLAR: Now, in the normal course of events,
3 again, imagining they weren't on strike, I imagine we would
4 see their signatures here?

5 MR. SINGH: Yes.

6 MR. MILLAR: Have these gentlemen seen the revisions
7 that you have made to the report?

8 MR. SINGH: No, they haven't.

9 MR. MILLAR: So do you know if they would sign off on
10 them?

11 MR. SINGH: I don't see any reason why they wouldn't.

12 MR. MILLAR: But of course you can't speak for them, I
13 guess?

14 MR. SINGH: As a technical study, I have the authority
15 to review and approve, basically. So it goes to me,
16 anyway.

17 MR. MILLAR: And from your perspective, as you say,
18 aside from cleaning up the typos in the black-lined
19 version, you could issue this; Hydro One would be happy to
20 issue this today?

21 MR. SINGH: Yes.

22 MR. MILLAR: If these gentlemen were not on strike,
23 would you issue a document that didn't have their
24 signatures attached to it?

25 MR. SINGH: Yes, I have no problems.

26 MR. MILLAR: Okay. So even if they --

27 MR. SINGH: As long as I reviewed it.

28 MR. MILLAR: As long as you have reviewed it?

1 MR. SINGH: Yeah.

2 MR. MILLAR: So their signatures, you're saying, are
3 not necessary?

4 MR. SINGH: Yes.

5 MR. MILLAR: Now, just to be 100 percent clear,
6 originally a draft of this document was filed with the
7 applicant's evidence. I assume that this document
8 completely replaces that draft?

9 MR. SINGH: Yes, it does.

10 MR. MILLAR: When would you think you would be able to
11 submit the final version without the word "draft" in it? I
12 know you said you could do it today if you had to. When do
13 you anticipate you will do that?

14 MR. SINGH: We could do it today.

15 MR. MILLAR: So today or very soon thereafter?

16 MR. SINGH: Or very soon thereafter. Sure.

17 MR. MILLAR: I notice there's an Appendix B attached
18 that wasn't there before, and I've had a quick look
19 through. If we turn to page 14, under point 3, section
20 2.1, I guess these are comments from Tillsonburg. Comments
21 were made regarding provisions of more reliable supply to
22 Tillsonburg, and I see that Hydro One has committed to
23 undertake a study aimed at improving the reliability of the
24 transmission service to the area, in general.

25 Would you care to -- I was interested to read that.

26 Would you care to comment on that a little bit more?

27 MR. SINGH: Yes. This was a comment raised by one of
28 the affected customers in this particular case, Tillsonburg

1 Hydro, and we sat down, reviewed it and we said, Yes, let's
2 take a look at this with all the customers that are fed in
3 that particular from our transmission lines and see what
4 options exist, and then we'll make a decision after, after
5 this study has been completed.

6 MR. MILLAR: Does the proposed wind farm come into
7 play here at all? Would that have any impact on the
8 reliability of the transmission service?

9 MR. SINGH: It has no impact on the reliability of the
10 transmission.

11 MR. MILLAR: Okay. And you've undertaken to perform
12 this study. Is there a time line attached to that?

13 MR. SINGH: There's no time line attached to that.

14 MR. MILLAR: Do you plan to do it in the near future?
15 In the medium term?

16 MR. SINGH: In the near future.

17 MR. MILLAR: Okay. Okay. Those are my questions for
18 Mr. Singh.

19 For the IESO witnesses, I think I'm satisfied with the
20 responses to the questions regarding the ULTCs. But just
21 perhaps for the Panels benefit, and maybe for my own
22 benefit, I'd like to just briefly review the congestion
23 issue.

24 And I understand that you've -- that Phase I of this
25 project should have a load of 99 megawatts?

26 MR. FALVO: That's what we understand, yes.

27 MR. MILLAR: And I understand that over the course of
28 the year, there's the potential for there to be congestion

1 for 13 hours?

2 MR. FALVO: Our response was that that's what we
3 observed in the past 12 months.

4 MR. MILLAR: And maybe if I can just take a step back,
5 I'm not an engineer myself, could you just briefly explain
6 what we mean when we say congestion?

7 MR. FALVO: On the wholesale market, when we talk
8 about congestion, what we mean is that there are more
9 offers, economic offers, of generation that can be
10 transmitted across the limiting section of the transmission
11 system. So that not all of them can be accepted.

12 MR. MILLAR: Okay. So for 99 megawatts, we'd be
13 looking at approximately 13 hours.

14 MR. FALVO: I believe that was the answer in the
15 question that said we would be within 99 megawatts.

16 MR. MILLAR: I see. And I understand that these 13
17 hours in question, this is only -- this only means a
18 potential for congestion; is that right? That's assuming
19 that the wind farm is going at full-time tilt at those
20 times?

21 MR. FALVO: It's just indicating the past performance
22 of the system, indicating that that limited period of time
23 was when we had observed that the flow was at or near the
24 limit.

25 MR. MILLAR: Okay. And as I understand the way wind
26 farms work, obviously they're only producing energy when
27 the wind is blowing. And I know this evidence isn't before
28 the Panel, but I understand typically that's about -- I

1 think they're going full tilt about a third of the time,
2 something like that. Again, I stand to be corrected if
3 that's incorrect.

4 So it's possible, certainly, that during these 13
5 hours that you've observed in the past, assuming that work
6 to go forward, it's possible that during these hours that
7 the wind farm wouldn't even be producing electricity at
8 those times.

9 MR. FALVO: That's possible.

10 MR. MILLAR: Okay. And if we were to bump the project
11 -- Phase II of the project calls for 150 megawatts.

12 MR. FALVO: That's what I understand.

13 MR. MILLAR: And you've indicated that there would be
14 a potential for 7 more hours of congestion, if that were to
15 happen.

16 MR. FALVO: Again, that's what we observed in the past
17 year.

18 MR. MILLAR: Now, let's assume that during these 13
19 hours or 20 hours, if past trends are to continue, let's
20 assume that the wind farm is producing at full output
21 during one those hours, for example. What would happen?

22 MR. FALVO: The IESO would direct some other resource
23 to reduce its output so the flow does not exceed the limit
24 on the transmission system.

25 MR. MILLAR: And who -- how would you determine who to
26 -- who you would order to take some load off?

27 MR. FALVO: We would go to the economic offers in the
28 market and select the most expensive one.

1 MR. MILLAR: Those are my questions. Thank you.

2 **QUESTIONS FROM THE BOARD:**

3 MR. BETTS: Could I just follow up with a question, if
4 I may. Just with respect to the very last question that
5 Mr. Millar asked, you indicated that you would approach the
6 offer with the highest bid, and that would be the one that
7 would be curtailed.

8 If that was, in fact, if Erie Shores had the highest
9 cost, would it still be someone else that would be
10 curtailed rather than Erie Shores?

11 MR. FALVO: My understanding is that the wind
12 resources would operate as an intermittent resource, or
13 they wouldn't put an offer in the market. They're not
14 dispatchable. They don't receive a regular dispatch
15 instruction the way the other resources do, like a coal-
16 fired station, for example.

17 MR. BETTS: And in that sense, they wouldn't be
18 considered for curtailment at all, it would be one of the
19 others that would be involved in that process?

20 MR. FALVO: That's right.

21 MR. BETTS: Thank you.

22 MR. VLAHOS: Gentlemen, on this 13 hours, the expected
23 occurrence, and then there was another 7 hours, I just want
24 to make sure I'm clear on this.

25 The 13 hours is on the basis of the 99 megawatts.

26 That's the first phase; right?

27 MR. FALVO: Well, the question specifically was:
28 Estimate the hours during year that the interface is within

1 99 megawatts of its limit.

2 MR. VLAHOS: Right. Okay. And you would do the same
3 thing if there were 150?

4 MR. FALVO: Right, those are the questions --

5 MR. VLAHOS: So the 13 becomes 20.

6 MR. FALVO: Yes.

7 MR. VLAHOS: That's all I have, gentlemen. Thank you.

8 MR. KAISER: Mr. Taylor, did you have any questions?

9 MR. TAYLOR: No, Mr. Chair.

10 MR. KAISER: Mr. Brown, anything further?

11 MR. MILLAR: No, Mr. Chair.

12 MR. KAISER: That completes -- you're finished with
13 your questions, Mr. Millar?

14 MR. MILLAR: No, that's all the questions I have. I
15 think that concludes the evidentiary portion of the
16 hearing.

17 MR. KAISER: Thank you. Thank you, gentlemen.

18 Any other witnesses?

19 MR. MILLAR: No, Mr. Chair.

20 MR. KAISER: Mr. Vlahos has -- you gentlemen are
21 excused.

22 Mr. Vlahos has a question left over from the earlier
23 panel, Mr. Millar, that they could just answer from the
24 bleachers, if that's acceptable.

25 MR. VLAHOS: Mr. Taylor, I was trying to ascertain
26 from the evidence as to what other villages there may be
27 being crossed by the proposed routeing. And I see here
28 from the map in the pre-filed evidence, and I guess that's

1 over there as well, that I count about three townships or
2 maybe four. Let me just read them for the record.

3 I'm not sure if it's townships or villages, but it's,
4 I guess, a concentration of residents. Is Port Burwell --
5 is it Burwell?

6 MR. TAYLOR: Yes, it is.

7 MR. VLAHOS: Maybe someone can answer that from the
8 witnesses as long as the reporter could pick that up.

9 MR. CRAWLEY: I can answer that, that question. Port
10 Burwell is at the base, but the transmission line starts
11 just north of Port Burwell.

12 MR. VLAHOS: All right. So that's not affected.

13 Okay. Then we go to Straffordville?

14 MR. CRAWLEY: Yeah, Straffordville and Eden are the
15 two towns that the corridor crosses through.

16 MR. VLAHOS: Okay. And it does cross through
17 Straffordville.

18 MR. CRAWLEY: Yes, it does. Yes, sir.

19 MR. VLAHOS: And is Straffordville bigger than Eden in
20 terms of population, do you know?

21 MR. CRAWLEY: I believe Straffordville is somewhat
22 bigger, but they're both small towns.

23 MR. VLAHOS: And had we had interventions from that
24 town, from that village?

25 MR. CRAWLEY: No, we haven't, and we held public
26 hearings in both Eden and Straffordville.

27 MR. KAISER: Were those the hearings in December,
28 2004?

1 MR. CRAWLEY: Yes, those were. That's correct, Mr.
2 Chair.

3 MR. VLAHOS: Thank you very much, gentlemen.

4 MR. KAISER: Thank you, Mr. Millar. We'll come back
5 in an hour with our decision.

6 **PROCEDURAL MATTERS:**

7 MR. MILLAR: If I may, Mr. Chair. We had discussed,
8 in the event the Panel wished to grant the application, we
9 had discussed some possible conditions, my friend Mr.
10 Taylor and I. Would the Board like to have submissions on
11 any of those matters, or final submissions at all, before
12 considering --

13 MR. KAISER: Well, that would be helpful. I
14 understand you've distributed the suggestion.

15 MR. MILLAR: Yes, and certainly Mr. Taylor has a copy
16 of our draft conditions, and I know he's looked at them.
17 We didn't speak about them this morning, but we spoke -

18 MR. KAISER: Did you distribute them to other counsel
19 as well?

20 MR. MILLAR: I don't think Mr. Brown -- no, but I can
21 do that.

22 MR. KAISER: Why don't you give a copy to Mr. Brown.
23 I don't know whether those conditions will affect the IESO
24 In any respect, or Hydro One for that matter, but I suppose
25 --

26 MR. MILLAR: I wouldn't think, but there's certainly
27 -- it's well to have a look.

28 MR. KAISER: But just as a matter of procedure, why

1 don't you give them a copy.

2 MR. MILLAR: We may have to run off a few copies Mr.
3 Chair. I'm not sure if we have enough.

4 MR. TAYLOR: Mr. Chair, I don't want to be
5 presumptuous, but can I take it to mean by the fact that
6 you intend to give a decision in an hour, that there's no
7 need to make final submissions?

8 MR. KAISER: No, no. We'll hear your submissions. I
9 was just trying to do some scheduling here. Will you be
10 long in argument?

11 MR. TAYLOR: I don't intend to be, sir.

12 MR. KAISER: Right.

13 MR. BROWN: Mr. Chair, perhaps just to save time, I
14 think from the IESO's perspective, the system impact
15 assessment report has been prepared. Section 10 contains a
16 summary of requirements. The IESO would expect those
17 requirements to be satisfied by the proponent.

18 And, in any event, at the end of the day, before an
19 actual connection is made with the grid, the facilities do
20 have to be registered, and there's an inspection process
21 which the IESO undertakes to make sure that the facilities
22 comply with what they said they were going to be,
23 throughout the process, before you actually hook them up.

24 So I think that's probably where the IESO's concerns
25 are satisfied, rather than any potential conditions for the
26 leave to construct.

27 MR. KAISER: So you'd be satisfied if the conditions
28 simply referenced the Section 10 requirements?

1 MR. BROWN: That's right, that the proponent be
2 satisfied that they have complied with the requirements of
3 Section 10 of the SIA.

4 MR. KAISER: Mr. Millar, could you copy the Section 10
5 requirements separately? You don't need to mark it as an
6 exhibit. I'd just like to have a copy of it.

7 MR. MILLAR: I'm sorry, Mr. Chair?

8 MR. KAISER: Mr. Brown was indicating that on behalf
9 of his client, his only concern with respect to conditions
10 is that the Section 10 requirements in his report are met.
11 I just want to make sure that we all understand what those
12 are, because I certainly don't, but if you or one of your
13 associates could just provide us with a copy of that --

14 MR. MILLAR: Yes.

15 MR. KAISER: -- for the purpose of the decision.

16 MR. MILLAR: We'll do that, Mr. Chair.

17 MR. KAISER: Ms. Aldred, Hydro One, do you have any
18 remarks on conditions before we get to final argument?

19 MS. ALDRED: My remarks would be similar to Mr.
20 Brown's, in the sense that we would be satisfied if all
21 requirements of the customer impact assessment had to been
22 met.

23 MR. KAISER: And is there any particular section in
24 that report that you or Mr. Singh can point us to?

25 MS. ALDRED: I believe if one turns to page 9, your
26 recommendations are there.

27 MR. KAISER: Is that right, Mr. Singh? That would
28 encompass all of the conditions from the perspective that

1 would be required by Hydro One?

2 MS. ALDRED: Yes, that would be correct, sir.

3 MR. KAISER: All right.

4 MR. BROWN: I notice, Mr. Chair, Board Counsel has
5 given us the draft conditions. The proposed draft
6 condition 4.1 would satisfy the IESO's concern with respect
7 to the SIA report.

8 MR. KAISER: So there's no ambiguity, if we simply
9 reference Section 10, everyone knows what we're talking
10 about?

11 MR. BROWN: That's right. That's the requirements
12 section.

13 MR. VLAHOS: Ms. Aldred, just to clarify, on page 9
14 you are referring to Section 8, only, are you?

15 MS. ALDRED: I'm sorry, yes, I do. Section 8.

16 MR. TAYLOR: The only concern that I have with regard
17 to the draft conditions pertain to section 2.7, where it
18 requires:

19 "Within 15 months of the completion of
20 construction Erie Shores shall file with the
21 Board a written post-construction financial
22 report which will indicate the actual capital
23 costs of the project and detailed explanation of
24 the cost components and explain all significant
25 variances from the as filed by the Board."

26 I can understand that this would be a standard
27 condition that would be imposed on a leave to construct for
28 a transmitter who serves customers, and, therefore, would

1 likely try to have those -- the construction included in
2 rate base at a subsequent rate hearing.

3 However, in this case, the applicant will be paying
4 for all of the upgrades itself. And that information, the
5 construction cost information, is actually highly sensitive
6 to the applicant, just because other competitors out there
7 responding to future RFPs might be able to use that costing
8 information and back out certain information in order to
9 assist them with their bid proposal.

10 So we would request that this condition be excluded
11 from the conditions. If the Board wishes to include it, we
12 would request that there would be a provision included that
13 allows us to file under the Board's confidentiality
14 guidelines.

15 MR. KAISER: I understand. Mr. Millar, is there any
16 reason why we need this information in point 7?

17 MR. MILLAR: No, I think on further review, Mr. Chair,
18 we don't have an objection to that condition being removed.

19 MR. KAISER: All right. Any other comments, Mr.
20 Taylor, with respect to the conditions?

21 MR. TAYLOR: No, I don't.

22 MR. KAISER: Do you have submissions?

23 MR. TAYLOR: May I have a few moments to prepare for
24 my final submissions?

25 MR. KAISER: All right. We'll come back. Would ten
26 minutes be sufficient?

27 MR. TAYLOR: That would be fine. Thank you.

28 MR. KAISER: One more question.

1 MR. BETTS: One more question of Hydro One. Ms.
2 Aldred, in the conditions document, 5.1 refers to the
3 customer impact assessment. Have you reviewed that? Are
4 you comfortable with that?

5 MS. ALDRED: Just let me take a second.

6 MR. KAISER: I assume we should be changing the date
7 on this, Mr. Millar? It's no longer April 18th?

8 MR. MILLAR: Yes, Mr. Chair.

9 MS. ALDRED: Other than the fact that it should be
10 June 20th, I'm satisfied with that.

11 MR. BETTS: And is there anything else required, in
12 your opinion, to satisfy the needs of Hydro One?

13 MS. ALDRED: No, sir.

14 MR. KAISER: Mr. Millar, just one final. How have we
15 left it with Mr. Singh and the final version as opposed to
16 the draft version? Do I understand that Hydro One's made
17 an undertaking that they'll file the final report today?

18 MR. MILLAR: Yes, I believe that's correct, either
19 today or within the next few days, if I'm not mistaken.

20 MR. KAISER: Is that acceptable, counsel?

21 MS. ALDRED: Yes, it is.

22 MR. KAISER: Just so the record's clear. So we don't
23 have to look at any further drafts?

24 MR. MILLAR: No.

25 MR. TAYLOR: And we're amenable, as well, to including
26 as a condition of service that the final SIA be filed.

27 MR. KAISER: Will you give an undertaking for it to be
28 filed today?

1 MS. ALDRED: Yes, we'll do that.

2 MR. KAISER: All right, Mr. Taylor. We'll take ten
3 minutes and come back and hear you.

4 MR. TAYLOR: Yes, Mr. Chair.

5 --- Recess taken at 11:40 a.m.

6 --- On resuming at 11:58 a.m.

7 MR. KAISER: Please be seated.

8 Mr. Taylor.

9 **CLOSING ARGUMENT BY MR. TAYLOR:**

10 MR. TAYLOR: First off, we reviewed the draft
11 conditions of service and we have no further comments to
12 make on those conditions of service. They're acceptable,
13 subject to the changes we've discussed.

14 I'd like to talk a little bit about the need for the
15 transmission facilities. The Electricity Conservation and
16 Supply Task Force's report to the Minister of Energy
17 entitled "Tough Choices Addressing Ontario's Power Needs,"
18 and that's dated 2004, stated:

19 "Ontario faces a looming electricity supply
20 shortfall in the years ahead as coal-fired
21 generation is taken out of service and
22 existing nuclear plants approach the end of
23 their planned operating lives. Current
24 projections suggest that without new supply
25 and substantial conservation efforts,
26 Ontario could have insufficient power to
27 meet its peak requirements by 2006. By
28 2014, the province would have only half of

1 the generation capacity it needs to ensure
2 adequate and reliable electricity service."

3 And that's on page 1 of that report, and that's a
4 public document.

5 The government of Ontario responded to this looming
6 shortfall of electricity supply in part by issuing a
7 request for proposal on June 24th, 2004, for 300 megawatts
8 of new, renewable energy. This RFP also served to advance
9 the government's commitment to renewable sources of energy,
10 and, according to the RFP document, which is also a public
11 document:

12 "The government of Ontario is committed to making
13 electricity from renewable sources an important
14 part of Ontario's energy future. The government
15 of Ontario has set targets of having 1,350
16 megawatts of renewable generating capacity to be
17 in service by the year 2007, and 2,700 megawatts
18 to be in service by the year 2010."

19 That quote is on page 2 of the RFP document.

20 Erie Shores Wind Farm Limited Partnership responded to
21 that RFP. It was selected from 41 proposals, and has
22 entered into a 20-year power supply contract with the
23 Ontario Power Authority.

24 The proposed transmission facilities that are the
25 subject of this leave-to-construct application are
26 essential in order to connect the wind farm to Ontario's
27 transmission grid. And therefore we submit that the
28 proposed facilities play a key role in furthering the

1 government's objective to address Ontario's supply
2 shortfall and the government's renewable energy targets.

3 Now, in regard to the proposed facilities, some land
4 issues were raised at today's hearing. We've heard that
5 approximately 28 kilometres of the 30-kilometre
6 transmission route will be contained within an existing
7 utility corridor called the Otter Valley Utility Corridor.
8 We've heard that we are still in the process of negotiating
9 an easement with the municipalities of Bayham and the
10 Township of Tillsonburg. However, no problems have arisen
11 and we expect for the easement to be finalized in the near
12 future. And the form of the easement that was offered to
13 the Township of Tillsonburg and the municipality of Bayham
14 was included as an attachment to our interrogatory
15 responses.

16 The remaining 2 kilometres of the transmission line
17 will cross the property of three other entities, one of
18 whom, Mr. Jacko, has already entered into an easement
19 agreement; and the second, the Demeyere property, is in the
20 process of being finalized. We've heard from Mr. Crawley
21 that we're almost there, and it's expected in the near
22 future.

23 In regard to CPR's land, we've heard also that the
24 Erie Shores Wind Farm Limited Partnership has made efforts
25 with them to enter into a licensing arrangement, and that
26 the only matter left to discuss under that arrangement is
27 pricing. Any issues that could arise as a result of that
28 negotiation not moving forward would be dealt with by the

1 Canadian Transportation Authority, under The Canadian
2 Transportation Act.

3 In regard to the form of easement -- and this probably
4 goes towards Mr. Vlahos's question, which I don't think
5 that I've answered fully, when he asked about the Board's
6 authority in regard to the easement. If I could refer you
7 to section 97 of The Ontario Energy Board Act, "Condition
8 Landowners Agreements":

9 "In an application under section 90, 91, or 92,
10 leave to construct shall not be granted until the
11 applicant satisfies the Board that it has
12 offered, or will offer, to each owner of land
13 affected by the approved route or location an
14 agreement in a form approved by the Board."

15 This section does not require that we've actually
16 entered into easements with the landowners prior to
17 obtaining leave to construct. It really only deals with
18 the form of easement agreement, or agreement, that we're
19 offering to landowners, it's my understanding, the purpose
20 of which is to make sure all landowners are treated
21 essentially the same; that we're not being underhanded with
22 one landowner versus another.

23 So to answer Mr. Vlahos's question, yes, we have filed
24 a form of easement that we have offered to the landowners,
25 and we would expect that, as a condition of approval, that
26 we be required to obtain all required easements, licences,
27 permits, before we can construct the transmission
28 facilities.

1 I don't really think that I need to spend much time,
2 if any, on the customer impact assessment or the system
3 impact assessment. We've already discussed that we have a
4 near-final version before the Board right now, and that
5 Hydro One has undertaken to file a final version today or
6 tomorrow, and that final version will have no changes to
7 the one that's before the Board right now.

8 In regard to the system impact assessment, we do have
9 a final version before the Board, and the applicant is
10 amenable to satisfying all the requirements of that system
11 impact assessment prior to construction of the transmission
12 facilities, should leave be granted.

13 I don't think we need to get into the issue of
14 underload tap changers. I think there was a slight
15 discrepancy in the IESO's -- or potential discrepancy in
16 the IESO's response to Interrogatory 2 -- 2A, but I think
17 that's been resolved.

18 In terms of cost, as we've indicated in the evidence,
19 the cost of the project will be paid for by the applicant.
20 As well, all upgrades that have been identified by Hydro
21 One are the subject matter of a connection cost recovery
22 agreement that is currently being negotiated between the
23 Erie Shores Wind Farm Limited Partnership and Hydro One, so
24 those costs as well will be paid for by the applicant.

25 The result is that there will be no rate impacts to
26 customers as a result of this project whatsoever.

27 We did hear some information today about congestion on
28 the system. I understand that the scope of public interest

1 includes the pricing of electricity service, so congestion
2 or payments that result out of congestion. Congestion
3 management settlement credits that are paid by the IESO and
4 picked up through uplift by the system are something that
5 the Board would want to turn its mind to.

6 We've heard today that the wind farm, in the past 12
7 months, or within the 12 months, we've come within 99
8 megawatts of the limit for only 13 hours. And as well, we
9 don't know whether or not the wind was even blowing during
10 those 13 hours. So we would suggest to you that this is an
11 immaterial amount of congestion that results from this
12 project and therefore does not affect pricing of
13 electricity services in an adverse way.

14 We've also heard that the environmental assessment
15 process is complete for the project, and a statement of
16 completion was being filed as an exhibit today.

17 In regard to landowner concerns, the applicant has
18 agreed to relocate the transmission line in regard to the
19 portion that runs near the Lorraine Avenue landowners'
20 property, as you heard today. It's doing so at its own
21 expense.

22 In regard to Mr. Gilvesy -- and I should add that we
23 haven't heard any objections from the Lorraine Avenue
24 landowners. None of them are here today. And it's our
25 understanding, from conversations between Erie Shores Wind
26 Farm Limited Partnership representatives and those
27 landowners, that they're satisfied with the adjustment to
28 the transmission route.

1 So with regard to Mr. Gilvesy's submission, the
2 jurisdiction of the Board in dealing with this leave to
3 construct application is clear from the Ontario Energy
4 Board Act. According to section 96 of the Act:

5 "If, after considering an application under
6 section 90, 91, or 92, the Board is of the
7 opinion that the construction expansion or
8 reinforcement of the proposed work is in the
9 public interest, it shall make an order granting
10 leave to carry out the work."

11 Subsection 2 goes on to provide:

12 "In an application under section 92 the Board
13 shall only consider the interests of consumers
14 with respect to prices and reliability and
15 quality of electricity service."

16 And it goes on.

17 We heard from Mr. Gilvesy that he, in fact, supports
18 the project and acknowledges that it will be financially
19 beneficial to the Town of Eden. He testified that he had
20 no objections or issues in regard to reliability, quality
21 or pricing of electricity service.

22 He certainly does have pricing concerns; however, his
23 concerns are related to his 30-plus investment properties.
24 And those concerns are, I submit, beyond the jurisdiction
25 of the Board in this proceeding.

26 However, even if the Board did have the jurisdiction
27 to consider an individual landowner's property values being
28 adversely affected, we would submit that no evidence has

1 been put before this Board to demonstrate that his property
2 value will be affected in an adverse manner. And, as well,
3 he's the only person from the Town of Eden who has
4 intervened in this proceeding, and, on top of that, he is
5 here only representing his own interests and none of the
6 interests of the other townspeople of Eden.

7 Mr. Gilvesy suggested that we shouldn't rush into
8 building a transmission line along the Otter Valley Utility
9 Corridor. We would submit that we are hardly rushing into
10 matters. There have been a number of consultations with
11 the public whereby Mr. Gilvesy had an opportunity to
12 participate.

13 In the environmental assessment report that was
14 included in the evidence, we can tell you that notice of
15 the proposed transmission line was published in the
16 Tillsonburg newspaper on February 11th and 16th of 2004,
17 and the Delhi News-Record on February 11th, 2004, the
18 Simcoe Reformer on February 10th and 16th, 2004, and the
19 Aylmer Express on February 16th, 2004.

20 A public information consultation was also held on
21 February 25th in Tillsonburg; on February 26th in Port
22 Burwell, in which 30 and 32 participants were involved
23 respectively. There was another notice of a second public
24 consultation under the environmental assessment process
25 that was published in the Tillsonburg News on November
26 17th, 2004, the Aylmer Express November 17th, 2004, and the
27 Simcoe Reformer on November 16th, 2004; and a consultation
28 session was held on November 30th, 2004 in Port Burwell,

1 and on December 1st at Tillsonburg, to address the
2 transmission project.

3 On top of that, on December 8th, 2004, as we've
4 mentioned, presentations were held in Straffordville and
5 Eden to discuss issues and answer questions related to the
6 transmission line, and these meetings were open to the
7 public.

8 We also heard that in 1997 there were public
9 consultations in regard to the creation of the Otter Valley
10 Utility Corridor, and Mr. Gilvesy said that he remembers
11 participating in one of those consultations.

12 So Mr. Gilvesy has had a number of opportunities to
13 address his concerns about a transmission line being strung
14 within the Otter Valley Utility Corridor. He's intervened
15 in this matter, as well. However, Mr. Gilvesy did not file
16 any interrogatories. Other than his letter of
17 intervention, the first that we've really heard of Gilvesy
18 and an understanding of his concerns was here today.

19 Mr. Gilvesy's suggestions to the Board were
20 essentially that -- one, that the Erie Shores Wind Farm
21 Limited Partnership bury the line. During the break we
22 discussed this, and it's my understanding that if we were
23 to bury the line, and we were to bury the line over the
24 entire transmission route through the Otter Valley Utility
25 Corridor, since it wouldn't be really fair if we buried it
26 only in respect to one landowner's property, that the costs
27 could range -- the additional costs could range anywhere
28 between \$17 and \$50 million.

1 These costs would, without a doubt, destroy this
2 project, not just the transmission project, but the whole
3 wind farm. They weren't considered within the costing
4 estimates that were submitted to the government in response
5 to its RFP.

6 The second suggestion that Mr. Gilvesy had was that we
7 circumvent the Town of Eden. You know, we could always
8 move the transmission line, but then wherever we move it
9 to, we are always going to be moving it to the backyard or
10 adjacent to some other landowner. If we were to do that,
11 obviously, we would be back before the Board, and we could
12 be dealing with a whole slew of landowner complaints saying
13 that we should move it back to the Otter Valley Utility
14 Corridor, a corridor that's actually meant to house a
15 transmission line. It would seem odd not to use that
16 corridor for its intended purposes.

17 And the final suggestion by Mr. Gilvesy was that we
18 offer a cash settlement. And, quite frankly, we're not in
19 the business of offering cash settlements to all affected
20 land owners, and, if we were to do so along the Otter
21 Valley Utility Corridor, again, it would bankrupt the
22 project, and I'm sure that it would set a terrible
23 precedent for anyone who intends to build transmission
24 facilities in the province that it's going to have to buy
25 off all adjacent landowners.

26 There are mechanisms in place to deal with affected
27 landowners. They are either through the environmental
28 process or through a municipal process.

1 The mechanisms, however, for the types of complaints
2 that Mr. Gilvesy has raised are really not appropriate
3 before this Board and at this hearing.

4 So we would ask that if the Board does consider Mr.
5 Gilvesy's submissions - and we submit that it should not as
6 a result of the jurisdiction set out under the Ontario
7 Energy Board - we would request that limited, if any,
8 weight be given to Mr. Gilvesy's submissions.

9 Those are my submissions.

10 MR. KAISER: Thank you, Mr. Taylor. Mr. Brown, did
11 you have any?

12 MR. BROWN: No submissions, Mr. Chair.

13 MR. KAISER: Mr. Millar?

14 **CLOSING ARGUMENT BY MR. MILLAR:**

15 MR. MILLAR: Thank you, Mr. Chair. I'll be very, very
16 brief. Board Staff is generally satisfied with the
17 application from a technical point of view. Any
18 outstanding concerns we have after today's -- the oral
19 portion of today's hearing are dealt with by the conditions
20 of approval. So if this draft or a very similar document
21 were -- was entered as conditions of approval, Board Staff
22 would be satisfied with that.

23 I do want to address Mr. Gilvesy's comments. By and
24 large, I'm going to echo Mr. Taylor's comments on this
25 issue. It's not often, I think, that we get a landowner
26 before the Board who wishes to bring these kinds of
27 arguments, so it's a little bit unique. But I do wish to
28 point out, as Mr. Taylor did, that section 96(2) of the Act

1 clearly limits the Board's jurisdiction to deal with these
2 issues to issues with respect to prices and the reliability
3 and quality of electricity service.

4 And the Board will recall I actually asked Mr. Gilvesy
5 about all three of those issues, and to each one he
6 responded in the negative, that he did not have a concern
7 regarding any of those three issues.

8 Mr. Gilvesy is concerned about property values. I
9 think he's very forthright about that. But I think,
10 unfortunately for Mr. Gilvesy, those issues do not fall
11 within the jurisdiction of the Board.

12 And as a final comment, he also suggested, as Mr.
13 Taylor pointed out, there were three solutions for this.
14 One of his solutions was -- it wasn't entirely clear to me,
15 but perhaps he was suggesting that the Board order the
16 applicant to compensate him for the loss of his property
17 values. And in that instance, I'd like to say even more
18 strongly that that is well outside the Board's
19 jurisdiction. There is absolutely nothing in the Act that
20 would allow the Board to make such a compensatory order,
21 and, therefore, the Board simply does not have the
22 jurisdiction to do that.

23 So subject to any questions you may have, those are my
24 submissions. Thank you.

25 MR. VLAHOS: Mr. Taylor -- or, Mr. Millar, I'm just
26 looking at the conditions. If you turn to page 3 of 3,
27 just a clarification. We heard about the licensing by the
28 Canadian Transportation Authority, and is this meant to be

1 captured under section 7? Mr. Millar, perhaps I can ask
2 you or staff, through yourself, as to whether this is what
3 they had in mind for that section?

4 MR. MILLAR: Well, I think it speaks generally to all
5 licences, but would it be helpful to the Board if that
6 particular licence were mentioned, as well? I don't know
7 what Mr. Taylor feels about that.

8 MR. TAYLOR: I actually believe that section 8.1 would
9 address the CPR issue. It's an approval, permit or
10 licence. I think that section 7.1 really deals with
11 licences such as a generator licence.

12 MR. VLAHOS: Or, alternatively, could one look at 6.2
13 and add easement rights or licences? Could that have done
14 it?

15 MR. TAYLOR: You could do that. We'd be fine with
16 that.

17 MR. VLAHOS: Okay. But from Board Staff's
18 perspective, I just want to be as generic as possible to
19 capture...

20 MR. MILLAR: I think that's right. And I think your
21 concerns are captured there, but if you would prefer,
22 certainly, I don't think the applicant has any objection to
23 us specifically mentioning that licence.

24 MR. KAISER: So we can add in 6.2, after the word
25 "easement", "and/or licences?"

26 MR. TAYLOR: Or licence or authorization, because,
27 ultimately, if we can't get a licence from CPR, then when
28 we apply to the Canadian Transportation Agency, what we

1 would be obtaining is an authorization from them.

2 MR. KAISER: All right. So, Mr. Taylor, we'll add the
3 words "or licences or authorizations." Is that acceptable?

4 MR. TAYLOR: Yes.

5 MR. KAISER: This is in 6.2.

6 Now, you spoke a minute ago about a generator licence
7 and you referred, I believe, to 7.1. What's the status of
8 your application now?

9 MR. TAYLOR: We've applied for a generator licence,
10 and it's my understanding from our discussions with Board
11 Staff that it should be issued within the next couple of
12 weeks.

13 MR. KAISER: And your position is that 7.1 would cover
14 that; in other words, this licence would be conditional
15 upon you obtaining that generator licence from the Board?

16 MR. TAYLOR: I guess it could be read that way. I
17 don't know why you would need a generator licence, though,
18 to construct --

19 MR. KAISER: I'm just trying to get your position.
20 You suggested that that's what 7 was referring to. I just
21 wanted to make sure that was your position.

22 MR. TAYLOR: Yeah, I would actually rather the -- I
23 would rather the conditions, when we say licences here, not
24 apply to any Board-approved licence; just in case there is
25 a delay in issuing a licence, such as a generator licence,
26 that we wouldn't be delayed in constructing. The facility
27 wouldn't require a generator licence for construction, in
28 any event.

1 MR. KAISER: I don't imagine, in a practical sense,
2 you're going to start construction unless you get a
3 generator licence; right?

4 MR. TAYLOR: Well, it's not really just the generator
5 licence issue. The other issue that remains outstanding is
6 the distribution licence.

7 MR. KAISER: I see.

8 MR. TAYLOR: The wind turbines are connected by
9 low-voltage lines. Under a strict interpretation of the
10 Ontario Energy Board Act, we are required to obtain a
11 distribution line, even though we don't have any
12 distribution customers.

13 So Erie Shores, along with Superior Wind and along
14 with the Canadian Wind Energy Association, has applied to
15 the Ministry of Energy to have the regulations, the
16 exemption regulations to the Ontario Energy Board Act
17 amended to exempt wind farm developers from having to
18 obtain a distribution licence in these circumstances. And
19 I understand that Board Staff has supported the proposed
20 amendment to the regulations, as well.

21 A similar amendment actually exists for transmission
22 facilities that are used just to connect generation to the
23 grid, but unfortunately a parallel exemption doesn't exist
24 for distribution facilities that are used to connect -- for
25 the sole purpose of connecting generation to the grid.

26 So we're waiting for that amendment. I guess
27 worst-case scenario, there's a delay, we don't get the
28 amendment, and then we have to go back to the Ontario

1 Energy Board, apply for a distribution licence, and I would
2 imagine it would be a stripped-down distribution licence,
3 because all the provisions relating to customers would be
4 irrelevant.

5 I would hate for the issuance of that distribution
6 licence, which has nothing to do with construction,
7 stalling the construction process as a result of section
8 7.1 of the conditions.

9 So I'm not 100 per cent certain what the intention was
10 of 7.1, and if we could cross it out altogether, I would be
11 pleased, just so that there's no confusion in the future.

12 MR. KAISER: Well, Mr. Millar, there does seem to be
13 some confusion. What do you think about striking out 7.1?

14 MR. MILLAR: Well, Mr. Chair, I'm just speaking with
15 staff here to assist me, and I think in terms of what Mr.
16 Taylor says about the distribution licence, I think we
17 could certainly agree to have that requirement removed.

18 I'm not as certain about the generation licence. As
19 you say, they're not likely to build this project without a
20 generation licence. But certainly there would be -- it
21 would certainly be a shame to me that we started building a
22 transmission line, and then the generation licence for
23 whatever reason -- I understand it's probably just a matter
24 of a few days before they get it. But there would be some
25 concern, I would think, to be building transmission lines
26 without a generation licence, because if the generation
27 licence for whatever reason didn't materialize, then you
28 would just have this transmission line with no purpose.

1 And for that reason, I would certainly agree on the
2 distribution licence, but, again, I'm in the Board's hands.
3 But the generation licence, I think, should probably still
4 remain, that condition.

5 MR. KAISER: All right. Well, we can make the change
6 to remove the distribution licence from this. Are there
7 any other licences that -- or should we make this section
8 specific to the generation licence? I'm with Mr. Taylor.
9 I don't want to have some broad language that people end up
10 arguing about later in the day. Can we just make this a
11 little bit clearer as to what you're trying to capture
12 here? This is your proposal.

13 MR. MILLAR: Yes.

14 MR. KAISER: Was this intended to cover the generation
15 licence, and can it be restricted to that?

16 MR. MILLAR: That's right.

17 MR. KAISER: That way Mr. Taylor knows what it covers.

18 MR. MILLAR: The only concern that I have is, even
19 before we obtain a generator licence, there's still a lot
20 of preparation work that goes into the development of a
21 transmission line. For example, there might be some
22 shrubbing along the corridor, and we would start that
23 process, which could be considered construction of the
24 transmission line, and we would hate for any delays in
25 obtaining a generator licence to delay that type of
26 process.

27 I can understand you don't want transmission lines
28 sitting dormant, but we would be a long way into the

1 construction process before we actually have transmission
2 lines that are strung. Presumably we would know about the
3 generator licence in advance of that. So I don't really
4 see why the requirement is even necessary.

5 MR. KAISER: One of the concerns Mr. Crawley expressed
6 was he would like to close his financing, and the
7 financing, as we have heard, was in part conditional upon
8 this leave to construct being granted. Do you know if the
9 financing is also conditional upon this Board's issuance of
10 the generator licence?

11 MR. TAYLOR: Obtaining a generator licence is a post-
12 closing condition.

13 MR. KAISER: All right. So financing is not
14 conditional on that?

15 MR. TAYLOR: No, it's not. And the reason is that we
16 don't foresee any problems in obtaining a generator
17 licence. It seems to be going along the normal course,
18 without any bumps.

19 MR. KAISER: What's your position, Mr. Millar? They
20 want to close on this deal.

21 MR. MILLAR: Yes. No, I understand, Mr. Chair. And
22 by no stretch of the imagination are we trying to hold up
23 this project. These conditions are taken from a precedent
24 that the Board used, so these are very standard conditions.
25 And I'm wondering if there's some way we can tweak this
26 requirement to allow them to do preliminary work, or
27 something like that. Again, we don't wish to hold anything
28 up, but these conditions were all -- are applicable

1 generally to all leave to construct applications.

2 I'm a little bit uncomfortable about entirely taking
3 the requirement, but, again, if there's some wording that
4 perhaps Mr. Taylor and I can agree to something that will
5 satisfy both of us, then I'd be happy to submit that for
6 the Board's consideration.

7 MR. KAISER: Well, you want the generator licence
8 condition in, and he doesn't want it in. That's the issue.

9 MR. MILLAR: Well, I think his position is, he wants
10 -- as I understand, there's not likely to be any problems
11 with the generation licence, but he may wish to do some
12 preliminary work, as he suggested, clearing branches out of
13 the way or something of that nature, and we're not opposed
14 to that.

15 MR. KAISER: All right. Do you have any tweaking
16 language to deal with the branches?

17 MR. TAYLOR: The branches were just an example. I
18 would have to speak to my client here and find out if there
19 are other things planned.

20 MR. KAISER: In the interest of time, Mr. Crawley may
21 have some suggestions.

22 MR. MILLAR: Mr. Chair, I think we've come to language
23 that's agreeable to both of us. Mr. Taylor has proposed
24 that they be allowed to do site preparation before a
25 generation licence has been obtained, and we don't have any
26 objection to that -- or objection, I guess, would be a bit
27 -- no poles or wires themselves would go up until the
28 generation licence is obtained.

1 So I think we could make some very minor changes to
2 7.1. I think that would satisfy both of us. Is that
3 right, Mr. Taylor?

4 MR. TAYLOR: Yeah, I think so. Do you want to try to
5 do it right now?

6 MR. KAISER: Why don't you do this? If I can suggest,
7 we're going to take about an hour. If the two of you could
8 amend this document so that I have something that I can
9 attach to this decision as Schedule A, change the dates,
10 get rid of 2.7, make any amendments that you agree upon, so
11 we have a clean, revised document, and then we'll reference
12 that.

13 MR. MILLAR: Certainly, Mr. Chair. And I'll bring
14 that to you before the hour is up.

15 MR. KAISER: Thank you. Anything further? All right,
16 we'll come back at 1:30.

17 --- Luncheon recess taken at 12:29 p.m.

18 --- On resuming at 1:36 p.m.

19 MR. KAISER: Please be seated.

20 **DECISION:**

21 MR. KAISER: Today the Board heard an Application by
22 Erie Shores Wind Farm Limited Partnership seeking an order
23 from this Board granting leave to construct certain
24 transmission facilities. The Application is brought
25 pursuant to section 92 of the Ontario Energy Board Act.

26 The Applicant, Erie Shores, is a limited partnership
27 between AIM PowerGen Corporation and the Clean Power Income
28 Fund.

1 The Applicant is constructing a wind farm along the
2 north shore of Lake Erie in the townships of Bayham,
3 Malahide and Norfolk County. This wind farm consists of
4 some 66 wind turbines with a net output of 99 MW. The wind
5 farm will cover some 14,000 acres of farmland in the
6 townships referred to.

7 The purpose of the Application is to obtain leave from
8 the Board to construct transmission facilities which will
9 connect this wind farm to the transmission facilities of
10 Hydro One Networks Inc. This would involve the
11 construction of a new transformer station to be located at
12 Port Burwell that consists of 34.5/115 kV transformer, a
13 capacitor bank, switch gear, and a space for a future
14 transformer.

15 Secondly, it will consist of a 30-km 115 kV
16 transmission line from the Port Burwell transmission
17 station referred to, to Hydro One's circuits at Cranberry
18 Junction near Tillsonburg.

19 The Applicant proposes to construct approximately 27
20 kilometres of the proposed 30-km 115 kV transmission line
21 within the existing Otter Valley Utility Corridor, which
22 runs from Port Burwell to the southern boundary of the Town
23 of Tillsonburg.

24 The Applicant proposes to run the remaining three
25 kilometres of this transmission line along an active
26 Canadian Pacific Rail corridor and then over certain
27 private lands located just south of Tillsonburg Junction.

28 As indicated, this Application is brought pursuant to

1 section 92 of the Act. That section provides that:

2 "No person shall construct, expand or reinforce
3 an electricity transmission line or an
4 electricity distribution line, or make any
5 interconnection, without first obtaining from the
6 Board an order granting leave to construct,
7 expand or reinforce such line or
8 interconnection."

9 Certain tests are set out in section 96 and 97 of the
10 Act. Section 96 provides:

11 "If, after considering an Application under
12 section 90, 91 or 92 the Board is of the opinion
13 that the construction, expansion or reinforcement
14 of the proposed work is in the public interest,
15 it shall make an order granting leave to carry
16 out that work."

17 Section 96(2) provides that:

18 "In an Application under section 92, the Board
19 shall only consider the interests of consumers
20 with respect to prices and the reliability and
21 quality of electricity service when, under
22 subsection 1, it considers whether the
23 construction, expansion or reinforcement of the
24 electricity transmission line or electricity
25 distribution line or the making of the
26 interconnection is in the public interest."

27 Section 97 provides:

28 "In an Application under section 90, 91, or 92,

1 leave to construct shall not be granted until the
2 Applicant satisfies the Board that it has offered
3 or will offer each owner of the land affected by
4 the approved route or location an agreement in
5 the form approved by the Board."

6 With respect to the latter, the Applicant has filed
7 the proposed agreement in a form acceptable to the Board.

8 For reasons that will follow, the Board grants this
9 Application and finds the project to be in the public
10 interest. As indicated, we're guided by the statute that
11 restricts our jurisdiction to the interests of consumers
12 with respect to price, reliability and quality of service.

13 **Of significance in this regard is the fact, as pointed**
14 **out by Counsel for the Applicant, that this particular**
15 **project is in response to the Minister of Energy's request**
16 **for proposals for 30 MW of renewable energy. That RFP was**
17 **issued on June 24th, 2004.**

18 The Applicant was one of the successful bidders and
19 has entered into a 20-year renewable energy supply contract
20 with the Ontario Electricity Financial Corporation with
21 respect to 99 MW to be generated in the wind farm
22 previously described.

23 The Applicant's counsel stated that this RFP reflected
24 and was, in part, a response to the government's concern
25 about the supply of electricity in this province and
26 potential shortages which may result.

27 Accordingly, it's a significant factor in determining
28 whether this matter is in the public interest, as

1 reliability of electricity is one of the factors that this
2 Board is directed to consider under section 96(2).

3 There were a number of witnesses and considerable
4 evidence on different aspects of this project. I will
5 address them in turn.

6 First is what is called the System Impact Assessment
7 or SIA. The IESO issued and filed in evidence an updated
8 final System Impact Assessment Report. That document sets
9 out in section 8 certain requirements that the IESO expects
10 the Applicant to follow in terms of the system impact. The
11 Applicant has indicated that such requirements are
12 acceptable and such requirements will be incorporated in
13 the conditions which will attach to this Decision. I will
14 come to these conditions at the end of this Decision.

15 A second study the Board heard evidence on was the
16 Customer Impact Assessment or CIA. That was marked as
17 Exhibit D10 in these proceedings. That document was
18 prepared by Hydro One, and Mr. Bob Singh testified in
19 support of it.

20 There were only three customers who were impacted by
21 this project. All are LDCs: Tillsonburg Hydro, Hydro One
22 Distribution and Erie-Thames Hydro. None of them claimed
23 any adverse impact.

24 A preliminary draft dated June 17th was filed with
25 this Board. The Board received an undertaking by Hydro One
26 that the final draft will be filed either today or
27 tomorrow.

28 The next document tendered in this proceeding is the

1 Environmental Assessment Report. The Applicant called two
2 witnesses from MacViro Consultants who had prepared the
3 environmental assessment report for the wind farm and the
4 project. The Provincial environmental review process has
5 been completed and a Statement of Completion was sent to
6 the Ministry of the Environment on May 16th.

7 Notice of completion of the environmental screening
8 report was published in local newspapers on February 7th
9 and delivered to adjacent landowners. There were no
10 requests for the elevation of the project to full
11 environmental review, and, as indicated, a Statement of
12 Completion was filed with the Ontario Ministry of the
13 Environment on May 16th.

14 There was also certain evidence tendered by the IESO
15 with respect to congestion. This project has two phases,
16 the first being 99 MW, which can be expanded to 150 MW in
17 Phase Two.

18 The IESO determined that at the 99-megawatt hour
19 level, there might be 13 hours of congestion. If elevated
20 to 150 MW, that congestion might increase by another 7
21 hours.

22 The IESO determined that this was all within
23 acceptable limits, particularly having view to the fact
24 that the power being generated by this wind farm is of an
25 intermittent nature.

26 The IESO accordingly registered no concern with
27 respect to these congestion levels.

28 Another matter, which the Board is required to

1 consider in these types of decisions, is the cost
2 responsibility and the rate impact. The Board is advised
3 by the Applicant that the project will be paid for and
4 owned by the Applicant. There will be a number of upgrades
5 required by Hydro One. Those are identified in the
6 evidence, but for the purpose of this Decision, it is
7 sufficient to say that none of these costs will be incurred
8 by the ratepayers.

9 We then come next to the issue of landowners, which
10 involved considerable evidence. The proposed route, as
11 indicated previously, in large part, falls within what is
12 called the Otter Valley Utility Corridor. That's
13 approximately 27 kilometres, or roughly 90 percent of the
14 proposed 30-km transmission line. That corridor runs from
15 the Port Burwell transmission station to the southern
16 boundary of the Town of Tillsonburg.

17 The Applicant plans to run the remaining 3 kilometres
18 through the active Canadian Pacific Rail corridor described
19 earlier, and then over certain private lands.

20 There was also reference to a group of landowners
21 called the Lorraine landowners. Apparently a settlement
22 has been reached with those landowners, and no evidence was
23 tendered in this proceeding with respect to that.

24 With respect to the necessary easements and licences,
25 we were advised that negotiations are under way with
26 respect to the Otter Valley Utility Corridor and its
27 owners, the Township of Bayham and Tillsonburg. The Board
28 was advised by Mr. Crawley, the President of the Applicant,

1 that he anticipated no difficulties and, in fact, most of
2 these easements and licences were expected within the week.

3 With respect to the CPR, we're advised that a licence
4 is required and that negotiations are under way. The
5 Applicant advises that if there is a difficulty, they'll
6 apply to the Canadian Transport Commission.

7 With respect to the lands of Andy Jacko, apparently an
8 agreement has been reached and discussions are under way
9 with another landowner, Cyril Demeyere.

10 We then heard from Mr. Gilvesy, who appeared on behalf
11 of his parents, George and Margaret Gilvesy. Mr. Gilvesy
12 lives in the town of Eden, which apparently has some 400
13 souls in it. He and his parents own a considerable amount
14 of land abutting the Otter Valley Utility Corridor. In
15 fact, a thousand feet of his land, some 12 acres, abuts on
16 that property. He is attempting or is in the process of
17 severing that acreage into 34 lots for the purpose of
18 development.

19 His concern is that location of this transmission line
20 in this utility corridor will devalue his property. That
21 property he purchased in 1994. This utility corridor was
22 created in 1997, when the two municipalities referred to
23 acquired land rights over it.

24 At that time, that is, in 1997, certain public
25 hearings were held with respect to the establishment of
26 this utility corridor. Also, since that time, in
27 connection with this Application, there have been public
28 hearings. This Board was advised that in December 2004,

1 following Public Notices in November of that year, public
2 hearings were held in Tillsonburg and Port Burwell. On
3 December 8th, public hearings were held in Straffordville
4 and Eden. It is unclear whether Mr. Gilvesy appeared, but
5 we are led to believe that if he didn't, perhaps his
6 parents did.

7 Counsel for the Applicant argues that this Board has
8 no jurisdiction to hear the complaints registered by Mr.
9 Gilvesy, that this transmission line would devalue his
10 property. He is supported in that argument by Board
11 Counsel.

12 It is clear, when section 96 is read, that the value
13 of land or the potential devaluation of land of an abutting
14 property owner does not fall within the scope of the
15 Board's jurisdiction.

16 Moreover, it is clear that the process has involved an
17 opportunity for Mr. Gilvesy to register his concerns with
18 the proper authorities. It is significant that the
19 municipalities that own this corridor are in the process,
20 we are led to believe, of granting an easement to the
21 Applicant and will receive remuneration from them. It is
22 also significant that Mr. Gilvesy is the only landowner
23 complaining.

24 Accordingly, viewing the public interest in its
25 largest sense, and having in mind the restrictions on our
26 jurisdiction, we find that this project is in the public
27 interest and that the leave to construct should be granted.

28 But it should be granted with conditions. The Board

1 was presented with a list of 17 conditions, which the Board
2 believes are acceptable to the Applicant and to Board
3 Counsel. Those 17 conditions will form Appendix A to this
4 Decision.

5 That completes the Board's ruling in this matter.

6 Any questions? Thank you.

7 --- Whereupon the hearing concluded at 1:54 p.m.

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

APPENDIX A
Conditions of Approval
Erie Shores Wind Farm Limited Partnership.
EB-2005-0230

1 General Requirements

- 1.1 Erie Shores Wind Farm Limited Partnership. (“Erie Shores”) shall construct the facilities and restore the land in accordance with its application, evidence and undertakings, except as modified by this Order and these Conditions of Approval.
- 1.2 Unless otherwise ordered by the Board, authorization for Leave to Construct shall terminate December 31, 2006, unless construction has commenced prior to that date.
- 1.3 Erie Shores shall advise the Board's designated representative of any proposed material change in the project, including changes in: the proposed route; construction techniques; construction schedule; restoration procedures; or any other impacts of construction. Erie Shores shall not make a material change without prior approval of the Board or its designated representative.

2 Project and Communications Requirements

- 2.1 The Board's designated representative for the purpose of these Conditions of Approval shall be the Manager, Licensing and Facilities.
- 2.2 Erie Shores shall designate a person as project engineer and shall provide the name of the individual to the Board's designated representative. The project engineer will be responsible for the fulfillment of the Conditions of Approval on the construction site. Erie Shores shall provide a copy of the Order and Conditions of Approval to the project engineer, within seven days of the Board's Order being issued.
- 2.3 Erie Shores shall give the Board's designated representative ten days written notice in advance of the commencement of construction.
- 2.4 Erie Shores shall furnish the Board's designated representative with all reasonable assistance for ascertaining whether the work is being or has been performed in accordance with the Board's Order.
- 2.5 Erie Shores shall develop as soon as possible and prior to start of construction, a detailed construction plan. The detailed construction plan shall cover all activities and associated outages and also include proposed outage management plans. These plans should be discussed with affected transmission customers before being finalized. Upon completion of the detailed plans, Erie Shores shall provide 5 copies to the Board's designated representative.

- 2.6 Erie Shores shall furnish the Board's designated representative with five copies of written confirmation of the completion of construction. This written confirmation shall be provided within one month of the completion of construction.

3 Monitoring and Reporting Requirements

- 3.1 Both during and after construction, Erie Shores shall monitor the impacts of construction, and shall file five copies of a monitoring report with the Board within fifteen months of the completion of construction. Erie Shores shall attach to the monitoring report a log of all complaints related to construction that have been received. The log shall record the person making the complaint, the times of all complaints received, the substance of each complaint, the actions taken in response, and the reasons underlying such actions.
- 3.2 The monitoring report shall confirm Erie Shores' adherence to Condition 1.1 and shall include a description of the impacts noted during construction and the actions taken or to be taken to prevent or mitigate the long-term effects of the impacts of construction. This report shall describe any outstanding concerns identified during construction and the condition of the rehabilitated land and the effectiveness of the mitigation measures undertaken. The results of the monitoring programs and analysis shall be included and recommendations made as appropriate. Any deficiency in compliance with any of the Conditions of Approval shall be explained.

4 System Impact Assessment

- 4.1 Erie Shores shall implement all the recommendations of the Independent Electricity System Operator ("IESO"), as set out in the System Impact Assessment dated April 20, 2005.

5 Customer Impact Assessment

- 5.1 Erie Shores shall as soon as possible and prior to start of construction, obtain and submit to the Board the final official Customer Impact Assessment, dated June 20, 2005 issued and signed off by Hydro One.

6 Easement Agreements

- 6.1 Erie Shores shall offer the form of agreement approved by the Board to each landowner, as may be required, along the route of the proposed work.
- 6.2 Erie Shores shall obtain all necessary easement rights, authorizations and licences prior to commencement of construction.

7 Ontario Energy Board Licences

- 7.1 Erie Shores shall obtain a Generator licence prior to construction of the transmission facilities. Notwithstanding the foregoing, Erie Shores may commence

site preparation prior to obtaining a Generator licence.

8 Other Approvals

- 8.1 Erie Shores shall obtain, prior to commencement of construction, all other approvals, permits, licences, and certificates required to construct, operate and maintain the proposed project.