



# ONTARIO ENERGY BOARD

**FILE NO.:** EB-2005-0230

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**VOLUME:** 1

**DATE:** June 20, 2005

<b>BEFORE:</b>	<b>Gordon Kaiser</b>	<b>Presiding Member and Vice Chair</b>
	<b>Paul Vlahos</b>	<b>Member</b>
	<b>Bob Betts</b>	<b>Member</b>

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,  
25<sup>th</sup> Floor, West Hearing Room,  
Toronto, Ontario, on Monday,  
June 20, 2005, commencing at 9:00 a.m.

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Volume 1  
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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

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

Description

Page No.

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, BAsC.

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  
28 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 be 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 trail, 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 a 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**  
21 **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**  
26 **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.

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**APPENDIX A**  
**Conditions of Approval**  
**Erie Shores Wind Farm Limited Partnership.**  
**EB-2005-0230**

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**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.