

Hydro One Networks Inc.

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RECEIVED

APR 18 2005



Brian Gabel

Vice-President and Chief Regulatory Officer

April 15, 2005

ONTARIO ENERGY BOARD

Mr. John Zych ^{4/18}
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 26th Floor
Toronto, Ontario M4P 1E4

Dear Mr. Zych:

Review of Hydro One's Transmission System Adequacy in Ontario

On February 18, 2005, you wrote to Hydro One, pursuant to s. 13 of our Transmission licence, requesting a report on transmission system adequacy in Ontario. As requested, the attached report focuses on critical transmission reinforcements, those that are required for local area supply reliability, during the period 2005-2008. In addition to the reinforcements required by 2008, the report highlights other areas from our 10-year plan, that are of concern and that will require direction given the time required to implement transmission solutions. We also attach another copy of the most recent version of our ten-year plan, a copy of which was previously sent to you. This plan outlines anticipated system needs along with preferred and/or conceptual transmission solutions.

We have provided you with construction timelines and the status of environmental and regulatory approvals. With the need for public consultation and the recent establishment of the Ontario Power Authority (OPA) the timelines before construction begins is uncertain and often contingent on the degree of public participation in a particular project.

Of immediate interest is the supply to York Region, supply to Simcoe County and long term solutions for supply to Toronto. Long-term supply to Toronto was highlighted in our recent application for the Construction of 230kV Underground Transmission Lines: John Street TS X Esplanade Street TS (EB-2004-0436). Given the in-service dates that have been identified in the IESO's plans and time required to complete construction, the time available to obtain OPA, environmental assessment and OEB approvals will be tight should a transmission solution be selected. If the transmission option is selected in any local area, Hydro One is ready to proceed.

With respect to York Region, some attention has been focused on building transmission facilities underground. This option, while more fully detailed in the attached report is clearly not in the public interest. A much more viable solution, one that lies within the control of the affected communities and local utilities, is the use of distribution facilities. This is an option that the utilities have not wanted to pursue, however it could satisfy the area needs for up to 10 years. Hydro One stands ready to offer its assistance to the OPA to help in this regard.

Hydro One, as Ontario's largest and most experienced distribution company, has developed a distribution plan that is worth consideration. This plan is outlined in the attached report.

Yours truly,

A handwritten signature in cursive script, appearing to read "B. Gabel for".

Brian Gabel

Copy to: Jan Carr, CEO, OPA

Attachments:

1. Hydro One's Report on the Status of Critical Transmission Reinforcements for the Period 2005-2008
2. Hydro One's 10-year Transmission Plan
3. Electrical Supply for the City of Toronto
4. York Region Supply Study
5. Simcoe County Supply Study
6. Detweiler Area Supply Study