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Commission de l'Énergie  
de l'Ontario  
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By Fax

February 18, 2005

**Ms. Mary Anne Aldred**  
Regulatory Affairs  
Hydro One Inc.  
483 Bay St., 8<sup>th</sup> Floor  
South Tower  
Toronto, Ontario  
M5G 2P5

Dear Ms. Aldred:

**Re: Review of Hydro One's Transmission System Adequacy in Ontario**

One of the Ontario Energy Board's objectives in relation to electricity is to protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service. The Board is aware of the reports that have been produced by Hydro One and the IESO which have reviewed the transmission requirements in Ontario over the next decade.

The Board has reviewed Hydro One's "Ten Year Transmission Plan for the Province of Ontario, 2004-2013", published last year and the IESO's 10-year outlook covering the period 2005-2014, dated March 25, 2004. Those reports identify a number of areas where transmission reinforcements are needed to ensure that electricity service is maintained at historical levels of reliability.

Your Ten Year Plan identified certain areas, regions, and cities that require transmission reinforcements. These include Central Toronto, Suburban GTA, Southern York Region, Northern York Region, Ottawa, Cambridge, Windsor, and Simcoe Region.

The Board is aware that there may be critical time lines to providing transmission solutions in some areas. Two such solutions, the Toronto Downtown Cables Project and the Niagara Reinforcement Project are being reviewed through leave to construct proceedings before the Board. Section 13 of Hydro One's Electricity Transmission

Ontario Energy Board

Licence, ET-2003-0035, requires the provision of such information as the Board may require from time to time. We are requesting a report by April 30, 2005 on the status of plans in other critical areas needing transmission reinforcements during the period 2005-2008. The report should provide:

- i) a description of the need for each project;
- ii) the scope of proposed solutions;
- iii) the implementation schedules, including the time lines for major; milestones and completion dates;
- iv) the status of each project, including any reasons why the proposed schedule may not be met and any contingency plans in place or being developed;
- v) regulatory approvals required, and
- vi) estimated costs of each project.

Please provide a copy of your report to the undersigned as well as to the Ontario Power Authority, and the Independent Electricity System Operator.

Yours truly,

John Zych  
Board Secretary

c.c. Jan Carr, CEO, OPA  
Amir Shalaby, Manager Regulatory Affairs IESO