

Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

Commission de l'énergie de l'Ontario
C.P. 2319
27e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone: 416- 481-1967
Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273



BY EMAIL

March 26, 2007

Mr. Jan Carr
Chair, Ontario Power Authority
120 Adelaide Street West, Suite 1600
Toronto ON M5H 1T1

Dear Mr. Carr:

**Re: Northern York Region Supply
EB-2005-0315**

In a meeting of March 2, 2007, attended by representatives of Hydro One Networks Inc., the Ontario Power Authority, and the Independent Electricity System Operator, it became clear that there is a potential reliability concern regarding the electricity supply to consumers in the Northern York Region.

In that meeting, Board staff indicated that the Board's decision and order with respect to the Northern York Region Supply (Proceeding File No. EB-2005-0315) directed Hydro One Networks Inc. (Hydro One) to, among other projects; construct the Holland Junction Transformer Station (HJTS). The expectation was that the HJTS would be built by summer 2007 and be available to service the electricity demand in the region.

Board staff also indicated that it has been reviewing the developments in Northern York Region and has become aware of delays related to the HJTS.

Hydro One's staff gave a presentation in that meeting covering the analysis of the situation attributed to the delay in securing environmental permitting for HJTS, which will not be in-service for the summer season of 2007. The delay in the construction of the HJTS may also mean that the station might not be in-service for the summer of 2008 or 2009. It became clear that the delayed in-service of the HJTS may result in inadequate capacity being available from the existing Armitage Transformer Station (Armitage TS) until the HJTS is in-service.

For the Board to have a complete understanding of the capability of the system at the Armitage TS to handle anticipated electricity demand, further information is needed regarding conservation activities in the region. The Board notes that its findings in the

Northern York Proceeding, the OPA was recognized as having the authority to contract for conservation and demand management (“CDM”), and that it has been directed by the government to pursue 250 MW of CDM across Ontario. The Board also notes that the OPA intended to issue an RFP for 20 MW of CDM in Northern York Region specifically.

The Board is therefore requesting the OPA to file a report with the Board, (8 paper copies and one electronic copy in PDF format at boardsec@oeb.gov.on.ca) no later than **April 6, 2007** focusing on the status of CDM projects that have been implemented or will be in place in Northern York Region that are designed to reduce peak loading on Armitage TS during the summer (June to September), 2007. Initiatives expected to assist with the management of electricity demand for 2008 and 2009 should also be identified. The status report is expected to indicate the effect of each project in terms of load reduction in megawatts (MW) on Armitage TS during each of the summer seasons.

Thank you for your cooperation and assistance in this matter.

Yours truly,

Original signed by

Peter H. O'Dell
Assistant Board Secretary

cc Independent Electricity System Operator
Hydro One Networks Inc. (Transmission)
York Region Distributors:
Power Stream Inc.
Hydro One Networks Inc. (Distribution)
Newmarket Hydro