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June 18, 2007

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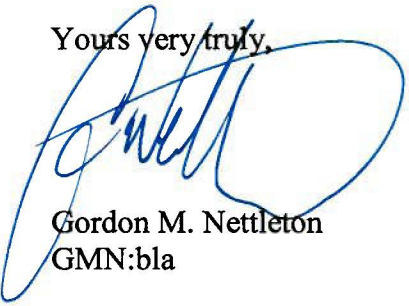
Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
27, Floor, 2300 Yonge Street
Toronto ON M4P 1E4

Dear Ms. Walli:

Hydro One Networks Inc. - Access to Lands Application March 30, 2007
Bruce - Milton Transmission Reinforcement Project
OEB File No. EB-2007-0051
Hydro One Networks Inc.
Response to Motions

Further to the Board's Procedural Order No. 1., please find enclosed Hydro One Networks Inc. response to Motions filed in respect of the above.

Yours very truly,


Gordon M. Nettleton
GMN:bla

Encl.
cc: Intervenors

IN THE MATTER OF the *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15, (Schedule B), (the “Act”)

AND IN THE MATTER an Application by Hydro One Networks Inc. Pursuant to section 98 of the Act, for an interim Order granting access to land in connection with the Applicant’s request for leave to construct a new transmission line between the Bruce Power Facility and the Milton Switching Station

**HYDRO ONE NETWORKS INC.
RESPONSE TO MOTIONS
JUNE 18, 2007**

OSLER HOSKIN & HARCOURT LLP
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A. Introduction

1. Pursuant to Procedural Order No. 1 dated June 5, 2007 (the “Order”) Hydro One Networks Inc. (“Hydro One”) is responding to two motions made in respect of the Access to Land Application made pursuant to section 98(1.1) of the *Ontario Energy Board Act* (“Act”) and which has been assigned Board file No. EB-2007-0051.
2. Specifically, this submission is in response to:
 - (a) The motion made on behalf of Powerline Connections dated June 12, 2007 (“PC Motion”).
 - (b) The motion made on behalf of landowners represented by the law firm of Fallis Fallis and McMillan dated June 11, 2007 (“Fallis Motion”).

B. Response to Powerline Connections Motion

3. The PC Motion seeks amendments to the Order. Hydro One opposes the requested relief and submits that the process established in the Order provides for a fair process to consider the Access to Lands Application.

Request for an Oral Hearing

4. Paragraph 9 of the PC Motion asserts that the Order should be revised to allow for an oral hearing into the Access to Lands Application. It is Hydro One’s submission that the nature of the relief sought and arising issues do not warrant an oral hearing process. The Access to Lands Application is not complex. The nature and purpose of the relief sought is clear. Providing a written interrogatory process is a reasonable way to allow parties the opportunity to ask questions and clarify understandings.
5. The PC Motion provides no reasonable basis to suggest that a written hearing process will give rise to some procedural unfairness or abrogate the rules of natural justice. The Board is the master of its own process and has the discretion to convene the type of hearing which it believes appropriate in the circumstances, provided that the same is fair

to all. No rationale has been provided which suggests that a written process, in these circumstances, will compromise this principle.

6. The PC Motion also refers to paragraphs 4 to 10 of the Written Submissions of Directly Affected Landowners (“Landowner Written Submissions”) filed with the Board on May 14, 2007, in support of the view that an oral hearing is necessary. Hydro One submits that the Landowner Written Submissions articulate concerns relating to the manner in which any relief may be granted under section 98(1.1). Hydro One submits that these concerns can be properly addressed through the written process set out in the Order.

Appropriateness of proposed Timetable to EB-2007-0051

7. Paragraph 10 of the PC Motion suggests the Timetable of the Proceeding is onerous and prejudicial to directly affected landowners. Hydro One submits there are no facts to support the claims made. The process established in the Order has provided and will continue to provide a more than reasonable time for parties to participate in the hearing process. Although the project timeline will still benefit from a prompt order granting Hydro One’s Access to Lands Application, the delays to date have limited the amount of time that Hydro One and its representatives will be able to use to gather required information this summer. If the delays continue long enough, the applicant’s ability to meet its in-service date will be harmed. The timelines established are and continue to be more than reasonable, given the nature of the Access to Lands Application and the overall importance of the project to Ontario.

Prematurity of Access to Lands Application

8. Paragraph 13 of the PC Motion asserts that the Access to Lands Application is premature due to the lack of any good faith negotiations to reach voluntary Permission to Enter Agreements with affected landowners.
9. Hydro One submits that relief available under section 98(1.1) of the Act is not conditional upon an Applicant first having to demonstrate any negotiations with affected landowners with respect to a Voluntary Permission to Enter Agreement. Such a condition would affect approximately 400 properties and would impose additional effort,

expense and potentially significant delay to Hydro One. These effects could readily restrict the value of the relief available under section 98(1.1).

10. Hydro One agrees that the nature of the activities carried out and the terms and conditions upon which access to lands may be approved by the Board are necessary and relevant issues to be considered in this proceeding. That appears to be the point made at paragraph 14 of the PC Motion and elsewhere in the Landowner Written Submissions. The Issues List (Appendix A to the Order) anticipates that these matters will be the subject matter of this proceeding. As a result, there is no basis for the view that the Order is flawed or that the Access to Lands Application is premature.

Approved Terms of Reference and the Integrated Power System Plan

11. Paragraphs 15 and 16 of the PC Motion assert that the lack of approved Terms of Reference for the environmental assessment of the project and the lack of an approval of an Integrated Power System Plan support the view that the Access to Lands Application is premature.
12. Hydro One respectfully disagrees. It is submitted that the granting of relief under section 98(1.1) is not predicated upon these requirements. Instead, the only stated prerequisite is an application filed pursuant to section 92 of the Act. Hydro One has taken that step and as such, the Access to Lands Application is properly before the Board.

No Expropriation Proceedings Have Been Commenced

13. Paragraph 17 of the PC Motion further asserts that the Access to Lands Application is premature because no expropriation proceedings have been commenced to date.
14. Again, Hydro One submits that the granting of relief under section 98(1.1) is not predicated upon such a requirement. In these circumstances, lands which are the subject matter of the Access to Lands Application are not presently the subject matter of an active expropriation process. The relief available under section 98(1.1) is intended for immediate purposes that are different from those under section 10(3) of the *Expropriations Act*. It is reasonable that information gathered for the assessing and

fixing of site locations, can be used for related purposes including environmental assessment and other regulatory requirements. This information will inform Hydro One as to whether or not lands are technically suitable for the siting of works and routing determinations, as well as assisting in the preparation of any subsequent legal surveys and property appraisals that can then be shared with landowners in a timely and efficient manner.

15. Based on the foregoing, Hydro One respectfully submits that the PC Motion should be dismissed.

C. Response to the Fallis Motion

16. The Fallis Motion is in all respects identical to that made in respect of Board File No. EB-2007-0050. Hydro One relies on the submissions made in its response to that matter for purposes of responding to the present Motion.

17. In addition to those submissions, and as the Fallis Motion specifically concerns the Access to Lands Application, Hydro One provides the following additional response.

18. At Paragraph D of the Fallis Motion, it is suggested that the granting of the relief requested in the Access to Lands Application could expose the Board to criticism, as this would somehow allow Hydro One to secure additional power corridor lands.

19. With respect, Hydro One strongly disagrees with such an assertion. The Fallis Motion misconceives the proper nature and purpose of the Access to Lands Application and the enabling legislation. Relief under section 98(1.1) provides no basis for the taking, expropriation or securing of additional power corridor lands. The purpose of Access to Lands Application is clear and is limited to conducting surveying and other activities required to “fix the site of the work” which in turn, provides appropriate information for purposes that concern other regulatory requirements, namely environmental assessment and expropriation plan development. It is simply a misstatement of the relief available to applicants under section 98(1.1) to suggest that this section affords Hydro One the ability to secure additional power corridor lands.

20. Based on the foregoing Hydro One respectfully submits that the Fallis Motion should be dismissed.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 18th day of June, 2007.

HYDRO ONE NETWORKS INC.

By its counsel

ORIGINAL SIGNED BY JAMES H. SMELLIE/GORDON M. NETTLETON
JAMES H. SMELLIE/GORDON M. NETTLETON

TO: Borden Ladner Gervais LLP
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Attention: Steven Waqué
Counsel for Powerline Connection

AND TO: FALLIS FALLIS & MCMILLAN
Barristers & Solicitors
195 Lambton Street East
Durham, ON N0G 1R0
Attention: Peter Fallis

AND TO: Intervenors
Per: Procedural Order No. 1 Appendix A