



Power to Ontario.  
On Demand.

**BY ELECTRONIC MAIL**

June 18, 2007

Ms. Kirsten Walli  
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Dear Ms. Walli:

**Re: Hydro One Networks' Section 98 Early Access Application re; Bruce to Milton  
Transmission Reinforcement project - Application (EB-2007-0051)**

The IESO is a non-profit, non-share capital corporation independent of all other participants in the Ontario electricity industry. The IESO is established under the Electricity Act, 1998 to administer the Ontario wholesale power market and to direct the operation and maintain the reliability of the IESO-controlled grid. The IESO does not own any electric power generation or transmission facilities. It directs the operation of transmission and generation facilities, including interconnections that are situated in Ontario.

The authority and obligations of the IESO are established by legislation, its licence issued by the Board, and the Ontario Market Rules. In particular, the IESO's responsibility for maintaining reliability and operability of the IESO-controlled grid is more precisely set out in the Market Rules which, among other things, require the IESO to identify current or emerging constraints that may adversely affect the reliability and operability of the integrated power system, and conduct system impact assessments in order to assess and address adverse reliability and market efficiency impacts that are attributed to proposed new or modified connections to the IESO-controlled grid.

The IESO has a direct and substantial interest in the related application for leave to construct the proposed Bruce to Milton transmission line, Board file number EB-2007-0050, and has been granted intervenor status. In its capacity as an intervenor on the leave to construct application the IESO has been provided copies of various preliminary motions on the early access application. Given the nature of the relief being sought the IESO, consistent with its role as detailed above, is writing to comment on the motions.

The IESO notes that information to be obtained through the early access activities will be used in the approvals processes associated with the new line. The unchallenged written submissions of Hydro One confirm that access "prior to obtaining leave to construct is required ... in order to meet the target in-service date for the new line of December, 2011." Hydro One has

determined that a delay in the early access activities to even the fall of 2007 would “put in jeopardy the construction and in-service dates for the new line.”

The request that work on this project proceed expeditiously is also supported by the Ontario Power Authority, which in its letter dated March 23, 2007 to Hydro One, filed as exhibit B, Tab 6, Schedule 5 of EB-2007-0050, stated that the OPA “believe that it is crucial that implementation work on the Bruce to Milton transmission line project proceed as quickly as possible.”

The Board, in considering these motions, must carefully assess and balance the private interests of landowners and the broader public interest in ensuring the timely provision of information required to support the various regulatory proceedings associated with the proposed transmission line. As we understand the issues to deny or stay the request for early access will impact construction and delay in-service dates beyond December 2011.

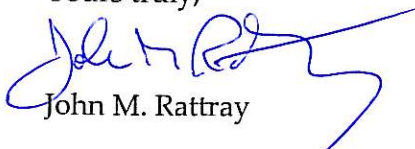
In its Reliability Outlook, Volume 2, Issue 1, that was issued on March 7, 2007, filed as Exhibit B, Tab 6, Schedule 4 in EB-2007-0050, the IESO affirmed that the need for transmission enhancements is particularly evident in three areas of the province, including southwestern Ontario to deliver additional nuclear and wind supply from the Bruce area. The IESO also noted that “[w]ithout new transmission facilities, the IESO will be forced to operate existing facilities near their maximum capabilities, with little margin for unexpected events and requiring complex arrangements to do routine maintenance on critical facilities.” Additionally, the IESO noted that the proposed 500 kV line out of the Bruce area “is required as soon as possible to accommodate the additional generation from both new wind projects and refurbished Bruce units.” The System Impact Analysis for the proposed line, filed as Exhibit B, Tab 6, Schedule 2 in EB-2007-0050, confirmed that the new line is scheduled to be in service by December 2011 “to coincide with the period when all eight units at the Bruce Complex are expected to be in –service simultaneously.”

As the transmission line project is needed as quickly as possible the IESO believes the application for early access should be given serious consideration and determined by the Board at the completion of the hearing.

The granting of a stay of the application on a preliminary motion would be an extraordinary remedy. These preliminary motions should not, it is respectfully submitted, directly determine the outcome of the present application without a hearing. Moreover these preliminary motions should not indirectly determine the merits of the application for leave to construct, including timing and routing. The decision on the related application for leave to construct should be based on a full record, a record which can only be assisted by the information sought on Hydro One’s application for early access.

The address of the IESO is listed below.

Yours truly,

  
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