

**IN THE MATTER OF** sections 70 and 78 of the *Ontario Energy Board Act 1998*, S.O. 1998, c. 15 (Schedule B);

**AND IN THE MATTER OF** a Board-initiated proceeding to designate an electricity transmitter to undertake development work for a new electricity transmission line between Northeast and Northwest Ontario: the East-West Tie line.

**INTERROGATORIES OF  
RES CANADA TRANSMISSION LP  
to  
ICCON TRANSMISSION INC. AND  
TRANSCANADA POWER TRANSMISSION (Ontario) L.P.  
(joint application)**

**January 30, 2013**

## Interrogatory #1 Project Schedules

### Reference(s):

- a. AltaLink: Part B, Section 7
- b. EWT: Part B, Exhibit 7
- c. CNPI: Part B, Section 7
- d. Icon/TPT: Volume 1, Section 7
- e. UCT: Section B, Section 7
- f. RES: Exhibit N

### Preamble:

Each applicant has prepared development and construction cost estimates that are dependent, *inter alia*, upon underpinning project schedule assumptions. Some applicants have assumed aggressive project schedules. For example, AltaLink, UCT and Icon/TPT assume that the time between designation and the filing of a leave-to-construct application for the East-West Tie line could be completed in less than two years. The generalized phase-by-phase project schedule of each applicant is shown in the table below.

The questions below are intended to test the sensitivity of development and construction cost estimates to changes in the project schedule that underpins each estimate.

**Table 1: Project Schedules**

TASK	2013				2014				2015				2016				2017				2018				2019				2020	
	1Q-13	2Q-13	3Q-13	4Q-13	1Q-14	2Q-14	3Q-14	4Q-14	1Q-15	2Q-15	3Q-15	4Q-15	1Q-16	2Q-16	3Q-16	4Q-16	1Q-17	2Q-17	3Q-17	4Q-17	1Q-18	2Q-18	3Q-18	4Q-18	1Q-19	2Q-19	3Q-19	4Q-19	1Q-20	2Q-20
ALTA LINK	DEVELOPMENT				LTC				CONSTRUCTION																					
UCT	DEVELOPMENT				LTC				CONSTRUCTION																					
TRANSCAN/ICCON	DEVELOPMENT				LTC				CONSTRUCTION																					
RES	DEVELOPMENT				LTC				CONSTRUCTION																					
CAN NIAGARA	DEVELOPMENT				LTC				CONSTRUCTION																					
EWT	DEVELOPMENT								LTC				CONSTRUCTION																	

### Questions:

- a. Would, and if so, how, would Icon/TPT's development cost estimate change if the time from the date of designation to the date that a leave-to-construct application is filed, were to increase from 18 months to 24 months?

- b. Is Icon/TransCanada seeking, in this proceeding, Board approval to recover \$45,541,000 in development costs?
- c. Indicate the time required to obtain pre-construction environmental permits, following Ministry of Environment approval of Icon/TPT's Environmental Assessment.
- d. Indicate whether and, if so, where the time to apply for and obtain pre-construction permits is accounted for in Icon/TPT's project schedule.

## Interrogatory #2 Mining and Timber Rights

### Reference(s):

- a. AltaLink: no reference to mining or timber rights in its Land Plan (Part B, Section 9) or Costs (Part B, Section 8)
- b. EWT: Part B, Exhibit 9
- c. CNPI: Part B, Section 9, page 141 of 160
- d. Icon/TPT: no reference to mining or timber rights in its Land Plan (Volume 1, Section 9) or Costs (Volume 1, Section 8)
- e. UCT: Section B, Section 9.2, Figure 29, page 134
- f. RES: Exhibit B-1-1, page 12 of 35, lines 17-18, and page 13 of 35, lines 1-5; Exhibit B-3-2; Exhibit E-4-1, page 1 of 11, lines 5-8 and page 4 of 11, lines 15-17; Exhibit K-4-2, pages 12, 14, and 15, and Appendix A, D and E; Exhibit K-5-1, page 1 of 2, lines 17-24 and page 2 of 2, lines 25-47; Exhibit K-6-1; Exhibit L-1-1, page 4 of 4; Exhibit L-3-1, page 2.30 and Appendix C; Exhibit L-4-1, pages 11-13; Exhibit N-2-3, page 2 of 3; Exhibit N-3-3, page 2 of 7; Exhibit P-5-1, page 11 of 12

### Preamble:

Although most of the applications refer to mining claims and timber rights on Crown lands as routing issues that will need to be addressed, most are silent as to how such issues will be addressed and at what cost. The cost of obtaining required consents from parties with prior mining and timber rights on Crown lands that comprise part of a proposed transmission right-of-way can be material and significant. Obtaining such consents and/or otherwise dealing with such prior rights and entitlements can take a great deal of time.

### Questions:

- a. Indicate where, in its application, Icon/TPT provides a list of registered mining claims on Crown lands along its proposed transmission route(s).
- b. Indicate where, in its application, Icon/TPT describe its plans to accommodate parties with registered mining claims and/or timber rights on Crown Lands that comprise part of its proposed transmission right-of-way(s).
- c. Indicate where, in its application, Icon/TPT have estimates for the cost of obtaining the consent and other permissions that would be required from

- parties who hold registered mining claims and/or timber rights on Crown Lands that comprise part of its proposed transmission right-of-way(s)?
- d. Are the costs referred to in “c” above, included in:
- (i) Iacon/TPT’s development cost estimate; and/or
  - (ii) Iacon/TPT’s construction cost estimate?
- e. Indicate where, in Iacon/TPT’s application, it describes its prior experience negotiating with parties who hold registered mining claims and/or timber rights on Crown Lands?
- f. Indicate in which project phase – development, leave-to-construct or construction – Iacon/TPT intend to negotiate consent agreements with parties who hold registered mining claims and/or timber rights on Crown lands that comprise part of Iacon/TPT’s proposed transmission right-of-way(s).

### **Interrogatory #3 Pre-Selection of EPC Contractor**

#### **Reference(s):**

- a. Volume 1, Section 2.1, page 2 of 13, lines 2-6
- b. Volume 1, Section 2.1, page 4 of 13, Figure 3
- c. Volume 1, Section 8.11, page 6 of 9, Table 7
- d. Volume 1, Section 8.11, page 8 of 9, lines 4-11

#### **Preamble:**

Iccon/TPT indicate that they plan to contract preliminary engineering and detailed engineering, procurement and construction (“**EPC**”) management with an affiliate of Iccon (“**Isolux Ingenieria**”). Typically, such services comprise a major component of a project’s development and construction cost. Ultimately, such costs are capitalized and become part of a utility’s regulated rate base.

#### **Questions:**

- a. Was Isolux Ingenieria selected to provide preliminary engineering and detailed EPC management services on the basis of a competitive process?
- b. Explain why has Iccon/TPT pre-selected Isolux Ingenieria as its contractor, prior to completing development work and finalizing the design and scope of work for the EPC contractor?

## **Interrogatory #4 First Nations and Métis Participation and Consultation**

### **Reference(s):**

- a. Volume 1, Section 3
- b. Volume 1, Section 3, Appendix A
- c. Volume 1, Section 10

### **Preamble:**

Icon/TPT has developed First Nations and Métis participation and consultation plans which will be implemented in its proposed development phase. First Nations and Métis participation and consultation plans have an impact on project costs.

### **Questions:**

- a. In reference “b,” Icon/TPT lists 18 First Nations and Métis communities in its Aboriginal Stakeholder Engagement Plan. These communities were referenced in the Ministry of Energy’s May 31, 2011 letter to the OPA. Indicate where, in its application, Icon/TPT describes which First Nation and Métis communities will be offered opportunities to participate in the project in the event that Icon/TPT is the designated transmitter?
- b. Icon/TPT indicates that Traditional Ecological Knowledge and Traditional Land Use studies are included as part of its Aboriginal Community Consultation Plan (reference “b,” page 5 of 23):
  - (i) what is the estimated cost of conducting these studies; and
  - (ii) how long will it take to conduct these studies?
- c. In reference “b” (page 8 of 23), Icon/TPT indicate that they expect to provide funding to [First Nations and Métis] communities, “linked to specific milestones such as permitting, commissioning and in-service date” via “Project Agreements of approximately 5 years in length.” Describe:
  - (i) why such agreements would be limited to five years; and
  - (ii) the purpose of any anticipated payments.