

# STIKEMAN ELLIOTT

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February 8, 2013  
File No: 120315.11015

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
Yonge-Eglinton Centre  
P.O. Box 2319  
2300 Yonge Street, Suite 2700  
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: Application by Toronto Hydro-Electric System Limited – EB-2012-0064**

I have been retained by the OPA in this matter and am writing with respect to Environmental Defence's request that the OPA appear as a witness at the February 19 - 20 hearing.

Environmental Defence's counsel recently requested that a senior employee of the OPA appear as a witness to answer questions referenced in the Board's Procedural Order No. 4, namely: (i) conservation and demand management ("CDM") and distributed generation ("DG") opportunities that could be funded by the OPA in downtown Toronto in the future; and (ii) the OPA's forthcoming Toronto Regional Plan. Environmental Defence characterized the relevance of such testimony in its earlier January 17, 2013 letter to the OPA:

Environmental Defence believes the OPA's participation in this hearing would greatly assist the Board in deciding whether Toronto Hydro-Electric System Ltd. ("THESL") has sufficiently justified its proposed Bremner Transformer Station Project (the "Bremner Project"), particularly in comparison with the alternatives of CDM and DG. There is significant evidence to suggest that the Bremner Project could be avoided or significantly delayed through CDM and DG, saving many millions of ratepayer dollars, and improving Toronto's local security of supply. An OPA witness could potentially assist the Board by providing

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a better picture of the potential for OPA-funded CDM and DG in downtown Toronto.

Furthermore, the Board likely would also benefit from further information relating to the forthcoming Toronto Regional Plan. According to the OPA's submissions on the Renewed Regulatory Framework for Electricity ("RRFE"), its regional plans will "consider and integrate all feasible options to meet local electricity needs, including conservation, generation, transmission and distribution options." In its RRFE Report, the Board directed utilities to follow an integrated approach and ensure that investment proposals are consistent with regional planning. In light of these directions, we believe it would assist the Board to hear from an OPA witness on these regional planning issues, particularly in relation to conservation and generation options vis-à-vis the Bremner Project.

The OPA would be pleased to appear as a witness at the hearing if the Board believes it will assist the Panel in making its determination; however, the OPA will not be able to provide evidence in relation to all of the matters referenced above by Environmental Defence.

The OPA will be able to provide evidence on its approach to regional planning, the current status of the Toronto Regional Plan, and how the Toronto Regional Plan integrates THESL's distribution plans, including the Bremner Project. The OPA can also address achievements in CDM to date in Toronto and their associated cost; the potential for future OPA-funded CDM in the Toronto region, as allocated from provincial forecasts to a regional level; and, the status of OPA-funded DG.

The OPA will not be able to answer questions concerning the identified local and customer-specific needs for Bremner TS, nor whether such needs are more cost effectively met through other alternatives. The OPA has not carried out this analysis. As stated in the draft Planning Process Working Group Report to the Board, which was developed based on industry consultation and recently posted for comment as part of the RRFE initiative, the integrated regional resource planning process led by the OPA, integrates local distribution companies' planning and connection activities into the regional planning process by assessing potential distribution options' ability to meet regional system needs. The extent to which options developed for meeting broader regional needs can also address specific distribution needs may also be taken into account by local distribution companies.

If the Board believes it would be helpful for the OPA to appear as a witness, the OPA would prefer to register as an intervenor rather than being called as a witness for Environmental Defence. The OPA would also be prepared to file a brief summary of its evidence on the matters specified by Environmental Defence in order

to assist the Board Panel and those parties who wish to examine the OPA. The OPA could prepare and file a summary of its evidence by February 14, 2013 and, if required, the OPA is available to appear as a witness on February 19 and on the morning of February 20.

We look forward to receiving the Board's direction.

Yours truly,

A handwritten signature in black ink, appearing to read 'Glenn Zacher', with a stylized flourish extending to the right.

Glenn Zacher

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cc: All Parties