EB-2011-0140

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.

REPLY SUBMISSIONS OF ALTALINK ONTARIO, L.P.

DELIVERED: JUNE 3, 2013

June 3, 2013

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REPLY SUBMISSIONS OF ALTALINK ONTARIO, L.P. ("ALTALINK ONTARIO")

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A. INTRODUCTION

1. AltaLink Ontario, L.P. ("**AltaLink Ontario**") files these written submissions in accordance with Procedural Order No. 7 in reply to the Arguments-in-Chief ("**AIC**") of Canadian Niagara Power Inc. ("**CNPI**"), EWT LP ("**ELP**"), Iccon Transmission, Inc. and TransCanada Power Transmission (Ontario LP) ("**ICN/TPT**"), RES Transmission LP ("**RES**"), and Upper Canada Transmission Inc. ("**UCT**"), each dated April 18, 2013 (CNPI, ELP, ICN/TPT, RES and UCT are collectively referred to as the "**Other Applicants**").

2. Knowing that the Board already has 412 pages of AICs to consider, to limit the length of its main reply, AltaLink Ontario will address each of the Other Applicants arguments at a high level and in a manner that AltaLink Ontario believes will best assist the Board's decision making. To further assist the Board, AltaLink Ontario has also included Appendices that provide a detailed, point-by-point reply to each of the Other Applicants' AICs. Should the Board desire more detail with respect to a particular argument raised by any of the Other Applicants, AltaLink Ontario would refer the Board to these Appendices for a detailed reply and pin-point references to AltaLink Ontario's supporting evidence.

3. The Appendices that are attached to and incorporated herein by reference are listed below:

Appendix "A" - Reply to the AIC of CNPI
Appendix "B" - Reply to the AIC of ELP
Appendix "C" - Reply to the AIC of ICN/TPT
Appendix "D" - Reply to the AIC of RES
Appendix "E" - Reply to the AIC of UCT

4. AltaLink Ontario also addresses in this reply the relevant submissions of the Algoma Coalition ("**AC**"), Consumers Council of Canada ("**CCC**"), Hydro One Networks Inc. ("**HONI**"), the Independent Electricity System Operator ("**IESO**"), the Métis Nation of Ontario ("**MNO**"), Northwatch ("**Northwatch**"), the Northwestern Ontario Associated Chamber of Commerce and the Northwestern Ontario Municipal Association combined with City of Thunder Bay ("**NOACC/NOMA**"), the Ontario Power Authority ("**OPA**"), the Ojibways of Pic River First Nation ("**OPRFN**"), the Power Workers' Union ("**PWU**") and the School Energy Coalition ("**SEC**") received May 9, 2013 and the Red Sky Métis Independent Nation ("**RSMIN**") received May 14, 2013 (AC, CCC, HONI, IESO, MNO, Northwatch, NOACC/NOMA, OPA, OPRFN, PWU, SEC and RSMIN are collectively referred to as the "**Interested Parties**").

5. AltaLink Ontario has previously responded to Board Staff's submissions and provided its critique of the CNPI, ELP, ICN/TPT, RES and UCT Applications and interrogatory responses. To avoid unnecessary duplication, AltaLink Ontario adopts and reaffirms these previous submissions made in its AIC dated April 18, 2013.

6. AltaLink Ontario's Reply Submissions are organized into the following sections:

A. Introduction
B. Executive Summary
C. The Board's Test for Designation
D. AltaLink Ontario's Reply – Organized by the Board's Decision Criteria
E. The Submissions by Some of the Other Interested Parties

F. Conclusions

Appendices

Appendix "A" - Reply to the AIC of CNPI
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B. EXECUTIVE SUMMARY

7. The Board's ultimate Decision and Order in this matter will have the effect of operationalizing Provincial policy for the development of new transmission lines in Ontario. Fundamentally, this designation process involves the Board selecting and approving the most qualified and cost-effective transmission company to develop the East-West Tie and to authorize the successful transmitter to bring forward a leave to construct application.

8. AltaLink Ontario has advanced the best plan of all the Applicants and the Board should designate AltaLink Ontario as the successful transmitter. Upon designation AltaLink Ontario will commence the necessary work to implement the approved plan in conjunction with First Nation and Métis communities and other key stakeholders. At the leave to construct hearing the Board, Board Staff and intervenors will have the benefit of the OPA's updated assessment of need and will have full opportunity to scrutinize AltaLink Ontario's section 92 application.

9. AltaLink Ontario's plan addresses each of the Board's decision criteria in a clear, comprehensive and reasonable way, founded upon an inclusive approach to First Nation and Métis participation and consultation. AltaLink Ontario's plan is the lowest risk option for ratepayers. As a new entrant to Ontario, AltaLink Ontario and its affiliates bring to bear a significant track record which can be relied upon by the Board and ratepayers. Unlike the Other Applicants, AltaLink Ontario has considerable success in engaging and concluding satisfactory FN and Métis participation and consultation arrangements. AltaLink Ontario is the only Applicant to be specifically singled out by the MNO as putting forth a plan which can accommodate their important aboriginal interests.

10. In short, AltaLink Ontario's plan best satisfies the Board's objectives of securing the qualified transmitter to pursue cost-effective development of the East-West Tie on a timely basis in a manner which is inclusive, responsive and respectful of key stakeholder interests.

C. THE BOARD'S TEST FOR DESIGNATION

11. Each of the Other Applicants, and several of the Interested Parties, have provided varying and at times disparate views on what the proper test for this designation proceeding should be.

12. As explained at paragraphs 12-21 of its AIC, AltaLink Ontario believes that the proper test for this designation proceeding is for the Board to select from among the six (6) competing applications "*the most qualified and cost-effective transmission company to develop the East-West Tie.*" This is a direct quote from the Minister of Energy's March 28, 2011 letter to then Chair of the Ontario Energy Board expressing the Government's interest in the Board undertaking this designation process, and is consistent with the Board's Phase 1 Decision and Order dated July 12, 2012 at page 3 where the Board states that "[t]he Board's primary objective in this proceeding is to select the most qualified transmission company to develop, and to bring a leave to construct application for, the East-West Tie Line."

13. In considering and weighing each of the decision criteria identified in the Phase 1 Decision and Order, AltaLink Ontario submits the Board should keep the following key principles in mind:

- The Board should consider the impact of lower development costs on overall ratepayer risk should the Board determine that there is not a need for the East-West Tie Line during a subsequent leave to construct proceeding. As noted at paragraphs 62-63 of its AIC, AltaLink Ontario's proposal for the development work clearly represents the best value and lowest risk for Ontario ratepayers by a margin of more than $3 million (or 17.5%) against the next most cost effective development proposal.

- While the Board intends to consider forecasted construction schedules and costs, AltaLink Ontario submits that this information is, at this point in time, of limited value and should be weighed accordingly. Each of the Other Applicants have offered widely disparate approaches to comparing construction costs, each of which argue that they

represent the "lowest cost" option. However, no two approaches are the same. AltaLink Ontario is concerned that Other Applicants are engaging in a "numbers game" that risk distracting the Board from the credible and detailed evidence of development plans, costs and experience. None of the Other Applicants in this process have completed the necessary development work to provide a detailed evidentiary backing for their construction forecasts. Further, the construction costs and schedules are not binding on any of the Other Applicants – rather these issues will be re-assessed in detail by the Board as part of a leave to construct or subsequent rate proceeding. This is in large part why AltaLink Ontario proposed a conservative and credible construction cost range. It is worth noting that AltaLink Ontario's cost range matches the overall ranges of cost estimates received by the Board from the Other Applicants (see Figure 1 below).

- The Board must continue to ensure that a level playing field exists as between new entrants and incumbent transmitters to compete on a fair and balanced basis. Specifically, the Board should maintain the approach it set out in the Phase 1 Decision and Order not to look more favourably upon First Nation or Métis participation that is already in place at the time of application than upon a high quality plan for such participation and consultation and not to favour Ontario experience over relevant experience gained by transmitters in other jurisdictions.

- In its deliberations the Board specifically should consider that one objective of this designation process is to encourage new entrants into Ontario's transmission sector. The reality is that if the ELP model is selected (which attempts to lock up certain First Nation interests before the designation process was even commenced), the result will be to discourage and thwart competition in any future transmission designation process. This outcome would be contrary to the new entrant objective and would not be in best interests of Ontario, its ratepayers and other stakeholders.

- The Board should look more favourably on proposals that give all First Nation and Métis communities that are identified as being directly affected by the East-West Tie Line an equal opportunity to meaningfully partake in all forms of participation in the project.

14. With these general observations made AltaLink Ontario will provide its submissions on each of the applications for designation received by the Board.

D. ALTALINK ONTARIO REPLY – ORGANIZED BY THE BOARD'S DECISION CRITERIA

15. AltaLink Ontario has organized its thematic reply submissions to reflect the Board's key decision criteria for designation. For a more detailed reply to each of the Other Applicant's submission, please refer to the attached Appendices.

a) Organization

16. AltaLink Ontario outlined its organizational plan for the East-West Tie Line in detail at paras. 23-28 of its AIC, which integrates the experience and expertise of AltaLink Ontario's Alberta and Ontario based affiliates, with a planned office in Thunder Bay offering long-term local employment opportunities (AltaLink Ontario Application, Part B, Section 2.1).

17. In this context, ELP argues that AltaLink Ontario's Application is premised on a sole source contract with SNC-Lavalin without the benefit of competitive pricing (ELP AIC, pg. 9, lines 27-30 and pg. 33, lines 8-17). For the reasons noted below, AltaLink Ontario submits that ELP's argument is deliberately misleading and should be disregarded by the Board.

18. AltaLink Ontario is not proposing to sole source contracts without competitive pricing. In its AIC (para. 5), AltaLink Ontario indicated that it <u>does not</u> seek any exemptions from the terms in the Board's standard transmission licence. Once designated, AltaLink Ontario is responsible for complying with all regulatory requirements as soon as those requirements become applicable, including the *Affiliate Relationship Code* ("ARC"). ARC does not prohibit affiliate contracts. Rather, it includes various requirements on utilities contracting with affiliates including very detailed transfer pricing restrictions. This includes holding a fair and open competitive bidding process or using other satisfactory benchmarks to establish a market price.

19. As noted at para. 5 of its AIC, AltaLink Ontario will comply with all applicable ARC requirements. AltaLink Ontario will report on its ARC compliance in accordance with

the Board's standard recordkeeping and reporting requirements. In addition, AltaLink Ontario will be required to demonstrate the prudence of its costs as part of subsequent leave to construct and rate proceedings. ELP, by contrast, can contract with HONI and GLPT without complying with the transfer pricing restrictions in ARC, exposing ratepayers to an increased risk of inappropriate cross-subsidies occurring. In this context, the selection of AltaLink Ontario as the successful designated transmitter will result in significantly more transparency for the Board and Ontario ratepayers when compared to ELP's approach given that AltaLink Ontario will comply with ARC's transfer pricing obligations.

20. Finally, while AltaLink Ontario's Application indicates that SNC-Lavalin will act as the prime contractor for EPC services, SNC-Lavalin itself will act as construction manager and will subcontract the vast majority of the actual EPC work through a series of competitive bidding processes (AltaLink Ontario Application, Part B, Section 4.4.6). The evidence of these competitive tenders will be included among AltaLink Ontario's overall evidence of compliance with ARC further enhancing the transparency associated with having AltaLink Ontario become the designated transmitter for the East-West Tie.

Historic Project Variances (Schedule and Costs)

21. The Board asked each of the Applicants in sections 2.3 and 2.4 of its filing requirements to explain the Applicant's experience with the management of similar projects and regulatory processes and approvals related to similar projects, together with an explanation of the relevance of the Applicant's experience to the East-West Tie Line project. In General IR #32 the Board then asked each Applicant to provide actual project cost and schedule variances for all transmission projects greater than 100 km in length in the past 10 years in all jurisdictions, together with a description of the reason for any such variances.

22. AltaLink Ontario submits that the simplistic comparisons of these variances proposed by UCT (UCT AIC, pg. 3, para. 6, and pg. 24, para. 77-78) and ICN/TPT (ICN/TPT AIC, pg. 31, para. 85) are misleading.

23. In its response to General IR#32, UCT provided numerous estimated variances (rather than actuals) which are prone to gaming, and do not have the same degree of reliability as actual cost variances. Yet UCT then compares its forecasts with AltaLink Ontario actuals. For example, the ($62.5M) variance in respect of the Lone Star Transmission project was calculated based on a forecast rather than "Actual Costs". UCT has filed no evidence in support of its forecast, which may be grossly understated to skew the results in UCT's favour. Similarly, UCT's $25M estimated variance in respect of the Montana-Alberta Tie Line is not detailed in evidence, and may be grossly underestimated to skew the results in UCT's favour (UCT Response to General IR #32).

24. By contrast, AltaLink Ontario only provided actuals when available (AltaLink Ontario Response to General IR#32). Where no actuals were available, AltaLink Ontario explained in response to General IR#32 that no significant variances are expected in respect of the Western Alberta Transmission Line ($1,424M), Southern Alberta Transmission Line ($360M) and the Southern Alberta Transmission Reinforcement ($311M). Both UCT and ICN/TPT deliberately ignored AltaLink's successful record.

25. Both UCT and ICN/TPT's comparisons also fail to take into account the different stages when the particular cost or schedule forecast was created. While each of AltaLink L.P.'s estimates were created as part of a publically available Facilities Application filed with the Alberta Utilities Commission early in the project development lifecycle, ICN/TPT has provided estimates which were completed as part of a Brazilian procurement that occurs later in the development process (at approximately the same time ICN/TPT enters into a definitive EPC contract) (ICN/TPT Response to General IR#32). Similarly, it is unclear at what stage in development UCT's estimates were created as the majority of estimates refer to non-public meetings (UCT Response to General IR#32). As a result, this information cannot be verified to be comparable to AltaLink L.P.'s estimates which are available in public filings and were completed at a much earlier stage in development.

26. Finally, both UCT and ICN/TPT fail to account for the reasons for variances that were entirely outside of AltaLink L.P.'s reasonable control. For example, the Western Alberta

Transmission Line was delayed for ~11 months after, in the Fall of 2011, the Alberta Utilities Commission suspended hearings on the project while a government appointed expert panel reviewed the government's approach to certain Critical Transmission Infrastructure projects. This delay was due to an extraordinary circumstance that was entirely outside of AltaLink L.P.'s reasonable control. UCT and ICN/TPT fail to take these type of circumstances into account in their simplistic comparisons.

27. AltaLink Ontario has provided a very detailed description of the reasons for the budget and schedule variances provided in response to General IR #32. For example, in respect of the SouthWest Transmission Development, the budget variance is explained in detail in response to part (a), which relates to the schedule variance explained in response to part (b). The reasons for these variances were not reasonably foreseeable by AltaLink L.P. at the time its original estimates were created. All of the costs incurred by AltaLink L.P. in respect of the SouthWest Transmission Development were prudently incurred.

28. Because of the risk of misleading and inappropriate comparisons, AltaLink Ontario submits that the evidence of project variances is best considered as part of an Applicant's overall organizational capability to complete the project. This approach is consistent with Sections 2.3 and 2.4 of the Board's filing requirements and the intent of General IR#32. In this context, AltaLink Ontario has experience with numerous projects that have run on-time and on-budget, and also has experience managing various unforeseeable events to bring the projects to completion.

b) First Nation and Métis Participation

29. AltaLink Ontario supports and agrees with the well-reasoned arguments presented by the MNO in its submissions on the relevant considerations for First Nation and Métis participation and consultation. The MNO represents the interests of three (3) of the Métis Councils identified in the Ministry's May 31, 2011 letter (the Thunder Bay Métis Council, the Superior North Shore Métis Council and the Greenstone Métis Council).

30. AltaLink Ontario agrees that the Board should consider the Government of Ontario's stated policy objectives as set out in the Long Term Energy Plan as it relates to aboriginal participation in new transmission (MNO Submissions, pgs. 3-5). In addition, the Board should consider the objectives of building healthy and sustainable aboriginal economies through participation, providing a range of opportunities for participation, ensuring an open opportunity for partnership or equity participation, maximizing the opportunities for aboriginal participation, focusing on opportunities for proximate aboriginal communities, and implementing a participation plan for First Nation and Métis communities (MNO Submissions, pgs. 9-16).

31. AltaLink Ontario has also reviewed RSMIN's submissions dated May 9, 2013. RSMIN is one of the Métis communities identified in the Ministry's May 31, 2011 letter that is not being represented by MNO in this process, and is one of the Métis communities which AltaLink Ontario has met with regarding the project (AltaLink Ontario Response to General IR #11 and AltaLink IR #3). Like the MNO, RSMIN suggests that the Board provide priority to those Applicants with inclusive proposals for Aboriginal participation and partnerships, in particular for those promoting economic development for Métis and First Nations communities impacted by the East-West Tie Line.

32. In this regard, AltaLink Ontario has differentiated itself from all the Other Applicants by proposing an innovative and inclusive framework for both First Nations and Métis participation, including an option to acquire up to 49% equity in the project LP for all affected aboriginal communities, as well as offering training, employment, capacity building and other economic and social benefits (AltaLink Ontario Application, Part B, Section 3.2).

33. No other registered transmitter has proposed a higher level of equity participation or a more inclusive or comprehensive First Nations and Métis participation framework. AltaLink Ontario's participation plan is entirely consistent with and operationalizes the policies of the Government of Ontario as they relate to aboriginal participation in new transmission projects.

34. This is why the MNO, which acting reasonably has elected not to opine on what it considers the "best plan", still saw fit to single out the AltaLink Ontario participation plan as follows (MNO Submissions, pg. 17):

> The AltaLink participation plan demonstrates the success this designation process has had in potentially maximizing participation opportunities for all proximate aboriginal communities.

35. AltaLink Ontario has also reviewed and considered the submissions of OPRFN. OPRFN is one of the First Nation communities identified in the Ministry's May 31, 2011 letter, one of the First Nation communities which AltaLink Ontario met with regarding the project (AltaLink Ontario Response to General IR #11 and AltaLink IR #3), and which AltaLink Ontario is willing to offer equity and other forms of participation to if it is designated by the Board to develop the East-West Tie Line (AltaLink Ontario Response to General IR #6). AltaLink Ontario understands that OPRFN has chosen to defend its existing partnership with ELP in strong terms. Because AltaLink Ontario and ELP are competitors in this proceeding, AltaLink Ontario will need to address those arguments in this reply. However, while many of the arguments OPRFN uses to defend its partnership are the same as those raised by ELP itself, AltaLink Ontario has limited its reply to addressing the submissions of ELP directly.

36. ELP takes the position that it, more than any other Applicant, has meaningful participation arrangements in place with First Nation communities most directly affected by the East-West Tie Line, has detailed knowledge of the geophysical and environmental conditions of the project area, and has positive relationships with other local and Aboriginal communities (ELP AIC, pg. 12, lines 18-20). CNPI has similarly taken the position that the Board should favour its existing participation arrangement over a high quality plan for such participation because of a lack of "real progress" in creating such a participation arrangement (CNPI AIC, pg. 17, lines 10-12).

37. As noted at paras. 16-17 of its AIC, AltaLink Ontario submits that to give preference to incumbent transmitters, who have intentionally leveraged their historical presence in

Ontario to obtain First Nation and Métis participation arrangements for this OEB process, would be contrary to the Board's determination at page 8 of its Phase 1 Decision and Order. It would also unfairly favour incumbent transmitters because of their existing presence in Ontario directly at the expense of new transmission entrants. It is important in these circumstances that the Board maintain the approach it set out in the Phase 1 Decision and Order not to look more favourably upon First Nation or Métis participation that is already in place at the time of Application than upon a high quality plan for such participation, and not to favour Ontario experience over relevant experience gained by Applicants in other jurisdictions.

38. In this regard the Board must not lose sight of the fact that one objective of this designation process is to encourage new entrants into Ontario's transmission sector. If the ELP strategy is successful (attempt to lock up certain First Nation interests before the designation process even commenced and then present this outcome as a veto to disqualify every other Applicant), the result will be to thwart and prevent competition in any future transmission designation process. This outcome clearly would be contrary to the new entrant objective and would not be in best interests of Ontario, its ratepayers and other stakeholders.

39. UCT takes the position that its proposed consultation processes "will bring forth dialogue and insight that will result in more detailed custom participation plans. Until such dialogue has occurred, NextBridge prefers to refer to its participation plan as "preliminary"" (UCT AIC, pg. 44, para. 160). As noted in its AIC (paras. 120-122), AltaLink Ontario is concerned that UCT's proposal for First Nations and Métis participation is vague and non-committal. UCT does not commit a specific proportion of equity for First Nations and Métis participation purposes, nor does UCT commit to offering any equity participation at all. By leaving all of its options open, UCT has not demonstrated that it has a clear plan to facilitate First Nations and Métis participation that can be evaluated by the Board. In addition, UCT's proposal for First Nations and Métis participation includes an "adder" that would pass the costs associated with facilitating First Nation and Métis economic participation onto Ontario ratepayers as a premium in

approved transmission rates. By contrast, AltaLink Ontario's proposal for First Nations and Métis economic participation would not necessitate any additional premium tariff funded by ratepayers.

40. AltaLink Ontario raised concerns in its AIC (para. 109-111) about the level of diligence that went into ICN/TPT's Application in respect of its proposal for First Nation and Métis participation. In its AIC (pg. 20, para 49), ICN/TPT again takes the position that the determination of participation will be dependent upon further discussions with each of the communities. This is not a framework for participation that can be considered or evaluated by the Board – this simply pushes any decisions about participation into the future without ICN/TPT making any definitive commitments as part of this designation proceeding.

41. AltaLink Ontario submits that UCT's and ICN/TPT's approach is contrary to the government's interest in promoting First Nations and Métis participation in energy projects as expressed in the Minister's letter to the Board dated March 29, 2011, and the Board's own intent in establishing First Nation and Métis participation as a separate criterion for evaluation at page 7 of its Phase 1 Decision and Order. During its initial meetings with affected First Nation and Métis communities, AltaLink Ontario learned that these communities were quite interested in equity participation opportunities in the project. ICN/TPT has confirmed that it has not proposed equity participation with any First Nation and Métis communities, and UCT has confirmed that its proposal is preliminary in nature. AltaLink Ontario submits that ICN/TPT and UCT have failed to demonstrate any advantages of their approach, particularly given the high level of interest expressed by the affected First Nation and Métis communities.

42. Contrary to the suggestion of SEC (SEC Submissions, Section 5.3, pgs. 16-17, paras. 5.3.2-5.3.3), First Nation and Métis community input is required before detailing what meaningful training, employment and supplier opportunities may exist. AltaLink Ontario's participation plan does not attempt to prejudge outcomes in this regard, which reflects its experience and the reality of such participation arrangements. AltaLink

Ontario cautions the Board against accepting SEC's suggestion to favour one participation plan over another that makes an equivalent commitment in respect of training, employment and supplier opportunities only because it lists some assumed, illustrative and generic approaches to training, employment and supplier opportunities.

ELP's aboriginal strategy has failed by creating unacceptable risks and serious barriers to ELP securing the necessary "social licence" to develop the East-West Tie Line.

43. In the lead-up to this designation proceeding, Hydro One and Great Lakes Power, ELP co-owners, made a calculated wager in the manner through which they approached and structured ELP. Hydro One and Great Lakes Power pursued what amounts to a "divide and conquer" strategy by attempting to "lock-up" the 6 First Nations that comprise Bamkushwada. With Bamkushwada as a 33% partner, this outcome is portrayed by ELP in its AIC as it having created, in essence, a monopoly or a form of exclusivity over these First Nations and thereby having already established Aboriginal participation (ELP AIC, page 3, Aboriginal Participation). ELP goes on to state that "no other applicant has demonstrated the positive relationships that ELP through its partners has with Aboriginal communities" (ELP AIC, page 14, lines 15-16).

44. Hydro One and Great Lakes Power's First Nation's strategy in establishing ELP can be summarized as: a) isolate and lock up the 6 First Nations that comprise Bamkushwada to prevent any other Applicant from having meaningful conversations with them during the designation process, b) present the Bamkushwada arrangement (the details of which remain secret) as already discharging the aboriginal participation requirement so the Board can simply "check this box" as complete, and c) present the entire arrangement as tantamount to creating a veto for Bamkushwada to result in the selection of ELP is a *fait accompli*.[1]

[1] For example, on page 14, at paragraph 31 the PIC River First Nation submissions states:

45. However having now had the benefit of reading the Interested Parties' submissions and hearing the oral presentations at the Thunder Bay session, it is now abundantly clear that ELP's aboriginal strategy has back-fired and failed. In fact, ELP's approach has had the exact opposite result by alienating critical Aboriginal interests thereby dramatically increasing the risks associated with ELP's plan.

46. ELP's "divide and conquer" strategy has created an adversarial and hostile atmosphere which has rendered ELP's ability to obtain what it calls the "social licence" exponentially more difficult, if not impossible, to now achieve. In its submissions MNO has taken the extraordinary step of specifically identifying and singling out ELP as the only Applicant that the Board must not designate. On page 23 of its submissions the MNO concludes that the ELP "plan is deficient and should be rejected…", "the EWP LP's consultation plan is unsound and not viable", and ELP's participation plan is "deficient and inconsistent with Ontario policy" (MNO p 16).

47. The clear disregard for and alienation of the Métis' interests should, by itself, be a basis for the Board to reject the ELP proposal. Ontario ratepayers should not be exposed to the significantly increased risk which Hydro One and Great Lakes Power themselves have created. From the MNO's oral submission to the Board in Thunder Bay and from its written arguments, if ELP were designated the implications are clear: the inevitable result would be significant delays and likely some form of legal challenge(s) to the Board's decision.

48. As Mr. Lipinski stated during his oral presentation to the Board on May 2, 2013: "These flaws in the East-West Tie Limited Partnership consultation plan make it untenable and unacceptable. It is not the best plan. Far from it. From the MNO's perspective it is

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> "The Board must give considerable weight to an Applicant that has a consultation plan with direct on-going input from a First Nation that is constitutionally entitled to the deepest level of consultation. Little weight should be given to proposals that do not **already** have such input in place (emphasis added)".

The Power Workers Union, whose affiliated employers includes Hydro One, Great Lakes Power and Brookfield (see PWU letter of intervention dated Feb. 3, 2012) repeats this sentiment on page 11 of its May 9, 2013 submissions as:

> "To conclude, the First Nations and Metis participation that **EWT LP has put in place** and other potential arrangements will be instrumental in the success of the project…" (emphasis added)

unworkable, and consultation would be extensively delayed because the MNO would not participate in this plan. The underlying tone of disrespect and disregard for Métis communities and Métis rights permeates East-West Tie Limited Partnership's consultation plan. It sets out a recipe for disaster and delays, not a credible plan for consultation with Métis communities. We want the Board to be aware of this." President Gary Lipinski, President, MNO, May 2, 2013 Transcript, page 75, lines 4 -15)

49. In its written submissions the MNO re-affirms its position in the oral presentation that it would refuse to participate in ELP' consultation plan and would likely ask the Crown not to delegate procedural aspects of the duty to ELP (MNO, page 24). The MNO's serious concerns with ELP's "divide and conquer" strategy is illustrative of the concerns that other excluded First Nation and Métis communities will raise with ELP's plan.

50. Ontario cannot afford to risk repeating another failed transmission project such as Hydro One's failed Niagara Reinforcement transmission line where a newly constructed transmission line, 98% plus complete, sits idle but is incapable of being brought into service because of still-unresolved aboriginal issues. The ELP proposal is clearly the highest risk plan before the Board in terms of First Nation and Métis considerations. These risks are very troubling and worrisome and must be considered by the Board in evaluating ELP's proposal.

51. On the other hand, the MNO has singled out AltaLink Ontario to indicate that all affected Métis and First Nation interests can be accommodated within AltaLink Ontario's proposal. AltaLink Ontario is the only Applicant to be specifically recognized and acknowledged by the MNO in this regard. On page 17 of its submission MNO states: "Notably, AltaLink offers up to 49% ownership to proximate aboriginal communities, which could accommodate both the BLP (Bamkushwada) First Nations (33%) as well as Métis communities (remaining 16%)."

52. Accordingly, while the ELP proposal significantly increases risk (and ultimately ratepayer costs), AltaLink Ontario's inclusive, responsive and respectful approach to aboriginal participation substantially mitigates or eliminates such risk.

c) Technical capability

53. ICN/TPT argues that the Board's most important consideration should be the capability of Applicants, as measured by their expertise and track records (ICN/TPT AIC, pg. 3, para. 7). It is worth noting that ICN and TPT have no experience developing, building or operating major electric transmission lines anywhere in Canada.

54. AltaLink Ontario acknowledges that experience and track record are valid measures of technical capability of an Applicant. However, AltaLink Ontario does not agree that the Board should favour this single criterion at the expense of the other important designation criteria, including a balanced considerations of the proposed design, schedule, costs, First Nation and Métis participation, landowner, municipal and community consultation, and First Nation and Métis consultations.

55. ICN/TPT also argues that no other Applicant can match its combined experience developing, building and operating major electric transmission lines (in Brazil) and natural gas pipelines (in Canada) (ICN/TPT AIC, pg. 2, para. 3).

56. AltaLink Ontario submits that this is simply not true as it ignores the tremendous experience and expertise of AltaLink in developing, building and operating major electric transmission projects. Further, SNC-Lavalin has planned, designed and constructed over 90,000 km of transmission line (compared to ICN/TPT's 10,000 kms) and some 1,500 substations around the world, including major transmission projects in Northern Ontario.

57. In addition, AltaLink L.P.'s transmission system serves approximately 212,000 square km in Alberta and includes more than 12,000 km of high-voltage transmission lines and 280 substations, energized at voltages up to 500 kV. AltaLink L.P.'s system is used to supply electricity to most major urban centres in Alberta and approximately 85% of Alberta's population. AltaLink L.P. also owns and operates the interconnection facilities that connect the Alberta Interconnected Electric System with the transmission network in British Columbia, allowing electricity to flow into and out of Alberta. AltaLink L.P.'s transmission system operates synchronously with the North American western

interconnected system (AltaLink Ontario Application, Part A, Section 2, Section 3, Part B, Section 2.1, Section 4, and Part C Appendix 2, Appendix 3, and Appendix 4). AltaLink and its affiliates are experienced, well-known, credible and respected leaders in the Canadian electricity sector.

58. Both CNPI (CNPI AIC, pg. 38, lines 2-6 and lines 10-13) and ELP (ELP AIC, pg. 12, lines 10-13 and pg. 96, lines 2-9) argue that the Board should favour Ontario based experience over relevant experience gained in other jurisdictions.

59. AltaLink Ontario submits that this approach is contrary to the Board's determination in its Phase 1 Decision and Order (Page 6), and is not appropriate as it bestows an unfair advantage upon incumbent utilities at the expense of new entrants. AltaLink Ontario has demonstrated in its Application that it is experienced and fully capable of developing, constructing and operating the East-West Tie Line to meet the needs of the OPA and the IESO, based on its demonstrated experience in Alberta through AltaLink L.P. and its demonstrated experience in Ontario and globally through SNC-Lavalin (AltaLink Ontario Application, Part A, Section 3 and Part B, Sections 2.3, 2.4, 4, 5, and 10.2).

d) Financial capacity

60. No party has raised any concerns with AltaLink Ontario's demonstrated financial capacity to develop, finance, construct, operate and maintain the East-West Tie Line, which capacity is more fully detailed at paras. 42-48 of AltaLink Ontario's AIC.

e) Proposed Design for the East-West Tie Line

61. No party has raised any substantive concerns with AltaLink Ontario's proposed design for the East-West Tie Line, which is based on the Reference Option which includes construction of a 230 kV, double-circuit transmission line of approximately 400 km in length running (AltaLink Ontario Application, Part B, Section 6.1) and includes detailed preliminary technical specifications which meet or exceed the Board's Technical

Requirements and industry codes, standards and good utility practice (AltaLink Ontario Application, Part C, Appendix 10).

62. In this context, RES argues that "[i]t does not appear that AltaLink has considered or proposed alternate routes or alternate designs that could provide benefits to ratepayers" (RES AIC, pg. 87, para. 191(vi)). In making this argument, RES deliberately ignores the alternate routes which AltaLink Ontario expressly considers in its draft report titled *Selection and Optimization of the Preferred Route for the East-West Tie Line Enhancement Project* (AltaLink Ontario Application, Part C, Appendix 15). RES also ignores AltaLink Ontario's proposal to evaluate the use of an alternate H-frame structure along certain areas of the proposed route as well as the use of off-site assembly yards and helicopter erection techniques to set structures, each of which can result in further costs savings for the East-West Tie Line project and can be implemented safely and efficiently (AltaLink Ontario Application, Part B, Section 6.5.3).

63. By contrast, both ELP's and RES' proposed single circuit design clearly should be rejected by the Board. The single-circuit options are contrary to the recommendations and judgement of both the OPA (OPA Phase 2 Submissions dated May 9, 2013 at page 1, line 27 to page 2, line 20) and the IESO (IESO Phase 2 Submissions dated May 9, 2013 at pages 2-3). As noted by AltaLink Ontario at paras. 51-57 of its AIC, the proposed single-circuit designs provide an inherently lower level of security and reliability than afforded the double-circuit option, and is simply not comparable to the reference option because of the necessity of costly, but as of yet unquantified, control actions.

64. UCT has proposed the use of guyed-Y transmission structures for the East-West Tie Line, while maintaining a double circuit configuration as specified in the OPA's reference plan (UCT AIC, pg. 5, para. 8-9). As noted in its AIC (para. 122), AltaLink Ontario has concerns about UCT's proposal to use guyed-Y steel lattice structures. In response to General IR #15, UCT refers to a number of examples of the use of guyed structures by Hydro Quebec, Manitoba Hydro and BC Hydro. However, each of these examples relate to the use of guyed towers for single circuit lines. There is nothing in UCT's response to

indicate that the proposed guyed structures have been successfully used for a double circuit design in terrain and weather conditions similar to that of Northern Ontario, or anywhere else for that matter. Further, UCT has failed to provide any analysis or comments on the potential risks of their recommended plan to use guyed-Y steel lattice structures for a double circuit project. Rather, UCT has based its proposal and its cost estimates on an untested and unproven tower design. This is particularly concerning in light of ELP's observation that such a structure when used for double circuit purposes would be susceptible to high bending loads (ELP AIC, pgs. 64-68).

f) Schedule

65. AltaLink Ontario has proposed a detailed project timeline (Appendix 16 of its Application) with an in-service date of November 2018, assuming an April 30, 2013 designation decision. AltaLink Ontario has committed to being bound to the 10 major project milestones proposed by Board Staff at page 4 of their submissions (AltaLink Ontario AIC, para. 7), subject only to the two adjustments proposed by Board Staff (i) to add any additional milestones the Board may require and (ii) to recognize the actual date of the Board's designation decision.

66. SEC asks each Applicant to, in reply, advise the Board of the underlying forecasting philosophy used in setting out its proposed schedule (SEC Submissions, Section 3.1, pg. 7, para. 3.1.3). AltaLink Ontario confirms that it used a conservative and realistic forecasting philosophy in setting its proposed schedule with an in-service date of Q4 2018. Specifically, AltaLink Ontario's project schedule has considerable flexibility built in to accommodate delays of up-to 12 months without cost or schedule risk.

67. The OPA has indicated that it views a 2018 in-service date as appropriate for the East-West Tie expansion. The OPA further indicates that this timeline is consistent with the OPA's understanding of typical transmission development timelines (OPA Phase 2 Submissions, May 9, 2013, at Section 2, pg. 3).

68. In an attempt to discredit AltaLink Ontario, ELP argues aggressively throughout its AIC that AltaLink Ontario has adopted an "aggressive schedule" which "ignores relevant and material risks" and makes "unrealistic assumptions without any corollary mitigation plans should these assumptions prove non-viable" (ELP AIC, pg. 9, lines 19-25).

69. AltaLink Ontario has not adopted an "aggressive schedule" as alleged by ELP. Both AltaLink Ontario (AltaLink Ontario Application, Part B, Section 7.3.4) and ELP (ELP Application, Part B, Exhibit 7, Page 3, lines 15-21) have proposed an in-service date of November 2018. While ELP has only scheduled 2 years for construction, AltaLink Ontario has provided for flexibility in its schedule by allowing for 3 years for construction. Differences in the particular components of the schedules as between Applicants should be expected. AltaLink Ontario brings a new approach and a new set of capabilities and core competencies to Ontario, which differs from those of the Other Applicants, including ELP. ELP has presented fundamentally conflicting submissions on this issue. On the one hand, ELP criticizes AltaLink Ontario's schedule and in-service date. At the same time ELP advocates the same in-service date as AltaLink Ontario.

70. No doubt influenced by ELP's aggressive submissions on this theme, SEC raises identical concerns that AltaLink Ontario's development schedule may be unlikely to be feasible (SEC Submissions, Section 3.2, pg. 7-9, paras. 3.2.1-3.2.6). For the reasons noted below, AltaLink Ontario submits SEC's concerns with AltaLink Ontario's proposal are unfounded.

71. Unlike all Other Applicants, AltaLink Ontario completed significant pre-development work by preparing and filing as part of its Application a draft EA Terms of Reference ("ToR"), a draft EA Scope of Work, and a draft Route Selection and Optimization Study (AltaLink Ontario Application, Part C, Appendix 13, Appendix 14 and Appendix 15). This work will allow AltaLink Ontario to hit the ground running promptly following designation to commence public consultations. No other Applicant has done this pre-development work. As a result, they are simply unable to match AltaLink Ontario's

development schedule because they must now complete all of this pre-development work after the Board's designation decision.

72. For example, ELP scheduled just over 4 months after the Board's designation decision to prepare and submit a draft ToR (ELP Application, Appendix 7C, ID#125-129, WBS 2.12). The first 2 months of ELP's drafting and preparation exercise is scheduled to occur prior to the start of any consultations on the draft ToR (ELP Application, Appendix 7C, ID #117-123, WBS 2.10). ELP will then spend the last 2 months and 11 days conducting consultations on their draft ToR prior to formal ToR submission (ELP Application, Appendix 7C, ID #117-123, WBS 2.10). The 2 months of time allocated for public consultation on the draft ToR by AltaLink Ontario is directly comparable to the 2 months and 11 day consultation period proposed by ELP. The ToR schedule savings which AltaLink Ontario is able to take advantage of stems from the considerable advanced effort AltaLink Ontario has undertaken to prepare and file a draft ToR as part of its Application. While ELP has scheduled 2 months after the designation decision to prepare a draft ToR before commencing consultations on it, this is work which AltaLink Ontario has already completed by taking advantage of the time prior to filing its designation Application.

73. Similarly, RES has allocated 189 days to ToR document writing and production, which work will commence only after designation (RES Application, Schedule N-1-2, pg. 5 of 37, Activity ID T1.09), and which occurs prior to a further 60 days of subsequent review and revisions based on public and agency comments (Schedule N-1-2, pg. 5 of 37, Activity ID T1.10). AltaLink Ontario has also allocated 2 months for revisions based on public consultations on its draft ToR. While RES has allocated considerable effort after designation to write and produce a draft ToR before commencing consultations on it, this is work AltaLink Ontario has already completed by taking advantage of the time prior to filing its designation Application.

74. AltaLink Ontario did this pre-development work to help advance its proposal and differentiate its Application from those of its competitors. Consequently, AltaLink

Ontario is in a unique position to hit the ground running promptly following designation to commence public consultations on its draft ToR. No Other Applicant can credibly make a similar claim.

75. In addition, AltaLink Ontario's pre-development work flows to the benefit of Ontario ratepayers because AltaLink Ontario is not seeking recovery of the $1.6 million for work completed prior to January 4, 2013. This represents another immediately quantifiable ratepayer benefit arising directly as a result of the competitive tensions created by the Board's designation process that, once again, distinguishes AltaLink Ontario from all other Applicants.

76. Notwithstanding the considerable pre-development work that has already been completed, AltaLink Ontario has also built considerable flexibility into its proposed project schedule (AltaLink Ontario Application, Part C, Appendix 16). This flexibility means that AltaLink Ontario can accommodate delays of up to 12 months in its applied for EA schedule without any cost or schedule risk. AltaLink Ontario can do this largely because of the flexibility built into its 3-year construction schedule (as compared to ELP's 2-year construction schedule).

77. Specifically, AltaLink Ontario can accommodate a 4 month EA delay with no cost or schedule risk with only slight alterations to its construction schedule, including utilizing the 4-month period currently allocated between LTC (June 30, 2015) and commencement of construction (November 2, 2015) (AltaLink Ontario Application, Part C, Appendix 16, ML102 and MOB100) to advance preliminary construction work (such as site clearing). In addition, AltaLink Ontario's applied for construction period can be reduced by 8 months by increasing the number of crews working on parallel segments of the line from 2 to 3 without increasing overall costs. ELP does not have similar flexibility in its construction schedule, because ELP already assumes 3 crews working in parallel. AltaLink Ontario identified its ability to manage project risk by creating a "floating schedule" by using, among other things, "multiple contractors working at the same time" in its Application at Part B, Section 7.2.4, Table 7.2-1. While this approach was identified

in respect of potential weather delays, it is equally applicable to and was intended to be used to address all forms of delays, including any delays caused by the EA process.

78. In addition, AltaLink Ontario notes that:

- its development schedule will be based on the actual date of designation, not April 30, 2013 (as noted above). Appendix 16 includes both task dependencies and durations which AltaLink Ontario based on the actual date of designation.

- its ToR preparation and approval schedule respects the 12 week government review period. This is confirmed by SNC-Lavalin at pg. 2 of the draft ToR at Appendix 13 of the AltaLink Ontario Application. This can also be confirmed by reference to the schedule at Appendix 16 by noting the difference between July 2, 2013 (EA104 Formal submission of ToR) and September 30, 2013 (EA106 Ministry of Environment decision on ToR), which is 90 days, more than 12 weeks.

- its EA schedule is based on the generally accepted practice of initiating the seasonal field studies prior to approval of the ToR (AltaLink Ontario Application, Part C, Appendix 14, Table 7). The risk of completing an unnecessary field study is more than offset by the advantages achieved by not delaying the development schedule by up to a year after ToR approval.

- its EA approval schedule respects the regulatory review and approvals time requirements for the Ontario EA process as prescribed in Ontario Regulation 616/98 (See Appendix 14, pgs. 72-74 and Table 7).

79. Put simply, ELP's attempt to discredit AltaLink Ontario's development schedule has no basis in reality since ELP completely ignores the considerable pre-development work AltaLink Ontario has completed (and which ELP still must complete) and also ignores the considerable flexibility built into AltaLink Ontario's overall project schedule.

80. By contrast, UCT has not provided sufficient evidence that it has completed similar pre-development work, nor has UCT provided credible evidence in its 2 page "Major Steps in Environmental Assessment" to describe exactly how it intends to advance its EA schedule by approximately 4 months vs. the Ministry's guidance (UCT Application, Appendix 17). There is nothing in UCT's Application that resembles AltaLink Ontario's draft EA Terms of Reference or draft EA Scope of Work to explain how UCT intends to achieve its EA timelines.

81. Finally, contrary to the misleading assertions of ELP (ELP AIC, pg. 88, lines 6-18), while AltaLink Ontario did not break out every one of the Board's filing requirements for a leave to construct application into a separate Gantt chart task, AltaLink Ontario's schedule provides for 1 year and 2 months to prepare and complete its leave to construct application (AltaLink Ontario Application, Part C, Appendix 15, ML 107 to ML102) and each of those individual filing requirements are accounted for in this generous schedule. Specifically:

- AltaLink Ontario committed to working closely with the IESO to ensure it fully complies with all applicable regulatory requirements (Part B, Section 4.4.11, para. 167), including the completion of a system impact assessment.

- AltaLink Ontario indicated it will work closely with HONI to develop the necessary interconnection agreements and operating procedures to outline the responsibilities of each party (Part B, Section 2.1.2, para. 20).

- The need for the East-West Tie Line, and the economic evaluation of alternatives, was completed on an initial basis by the OPA in its June 30, 2011 report. The OPA intends to file a comprehensive need update as evidence in the leave to construct proceeding (OPA Phase 2 Submissions at pg. 5, line 8). AltaLink Ontario committed to working closely with the OPA to ensure it fully complies with all applicable regulatory requirements (Part B, Section 4.4.11, para. 167), including preparing the evidence necessary for the leave to construct application.

- AltaLink Ontario established initial criteria for route selection prior to filing its designation Application. These criteria are specified at Section 3 of Appendix 15.

- AltaLink Ontario completed a preliminary evaluation of routing alternatives prior to designation (Appendix 15). The activities in AltaLink Ontario's public consultation schedule (EA101 of Appendix 16) are detailed in Appendix 14, Section 5.2.6. These consultations include as a purpose and objective incorporating feedback received through consultations into decision making with respect to routing.

- AltaLink Ontario addresses the Crown's duty to consult as part of its comprehensive Aboriginal Community Consultation Plan (Part B, Section 10.1.2), which activities are scheduled at EA124 of Appendix 15.

- AltaLink Ontario identified Crown land permit acquisition as part of its EA Scope of Work (Appendix 14, pg. 14) and identified Crown land agreements as a potential land acquisition issue together with AltaLink Ontario's plan to manage that issue (Part B, Section 9.1.3 and Appendix 14).

- For the reasons described in para. 86 below, AltaLink Ontario has included land acquisitions as part of its construction schedule and budget. To the extent there are land related consultations which occur during the development phase, AltaLink Ontario has included that within the scope of its consultation budget and schedule during the development phase (Part C, Appendix 15, EA101 and EA124).

g) Costs

82. AltaLink Ontario has put forth the most cost-effective proposal to compete development work on the East-West Tie Line. As noted at paras. 62-63 of its AIC, AltaLink Ontario's proposal for the development work clearly represents the best value for Ontario ratepayers by a margin of more than $3 million against the next most cost effective

development proposal. This is illustrated in Table 2 of AltaLink Ontario's AIC, which is reproduced as Table 1 below.

Table 1: Development Cost Comparison – Reference Option

Rank	Registered Transmitter	Development Cost Reference Option [1]	Marginal Cost of the Development Phase
1	AltaLink Ontario	$18,177,500	+$0
2	RES	$21,370,000	+$3,192,500
3	UCT	$22,398,084	+$4,220,584
4	EWT LP	$23,720,000	+$5,542,500
5	CNPI	$23,969,000	+$5,791,500
6	ICN/TPT	$30,745,000	+$12,567,500

[1] Values compiled directly from each registered transmitters' response to General Interrogatory #26 in respect of the Reference Option.

83. AltaLink Ontario proposes to complete development work in a cost effective manner in full recognition that the ultimate need for the project will be assessed during a subsequent leave to construct proceeding (OPA Phase 2 Submissions, Section 4, pgs. 4-5). In assessing the different Applications the Board should consider the impact of lower development costs on overall Ontario ratepayer risk should the need for the East-West Tie Line be found to no longer exist during a subsequent leave to construct proceeding.

84. ICN/TPT argues that AltaLink Ontario's proposal represents "the lowest cost outlier" to the Other Applicants development proposals, each of which fall within "an 8% range" (ICN/TPT, pg. 27, para. 73).

85. However, ICN/TPT's comparison fails to recognize the significant pre-development work AltaLink Ontario completed by preparing and filing as part of its Application a draft EA Terms of Reference ("ToR"), a draft EA Scope of Work, and a draft Route Selection and Optimization Study (AltaLink Ontario Application, Part C, Appendix 13, Appendix 14 and Appendix 15). No other Applicant has done this pre-development work (which they have instead scheduled and budgeted to start post-designation). AltaLink Ontario's pre-development work is included in the $1.6 million dollars spent prior to January 4, 2013, which represents a direct reduction in its development costs vis-à-vis the Other Applicants because AltaLink Ontario is not seeking recovery of this amount from Ontario ratepayers which distinguishes AltaLink Ontario from all other Applicants. This

completed work will allow AltaLink Ontario to hit the ground running immediately following designation to commence public consultations.

86. In addition, because the need for the East-West Tie line will be re-assessed as part of a subsequent leave to construct proceeding, AltaLink Ontario believes that ratepayers should not be burdened with costs associated with acquiring land during the project development phase of the project. If the Board finds during a subsequent leave to construct process that the line is no longer needed, ratepayer money spent on land acquisitions will have been wasted. As a result, and unlike the Other Applicants which have budgeted millions for land acquisitions during the development phase, AltaLink Ontario's land rights acquisition is included as a component of its proposed construction schedule (Appendix 16, C1001, C2001, C3001) and costs (Table 8.7-1). During the development phase, to the extent that consultations touch on land matters, those amounts are addressed in the public consultation components of the development budget (Table 8.2-1) and schedule (Appendix 16). By contrast, ICN/TPT has budgeted $1.3 million more than AltaLink Ontario has for its land acquisition and consultation activities during the development phase – ratepayer money which is at risk if the Board finds that the Line is no longer needed.

87. In addition to considering development costs, the Board has also determined that it will consider all costs in assessing the merits of the various Applications including construction cost estimates and on-going operations, maintenance and administrative costs over the life of the project. AltaLink Ontario submits that this information is, at this point in time, of limited value and should be weighed accordingly.

88. Each of the Other Applicants have offered widely disparate approaches to comparing construction costs. Each of the Other Applicants argue that they represent the lowest total cost option. The challenge is that no two approaches are the same.

89. AltaLink Ontario is concerned that the Other Applicants are playing a "numbers game" that risk distracting the Board from the credible and detailed evidence of development plans, costs and experience. None of the Other Applicants in this process have completed

the necessary development work to provide a detailed evidentiary backing for their construction forecasts. Further, the construction costs and schedules are not binding on any of the Other Applicants – rather these issues will be re-assessed in detail by the Board as part of a leave to construct or subsequent rate proceeding. This is large part why AltaLink Ontario focused its proposal on a conservative and credible construction cost range.

90. AltaLink Ontario is also concerned that the Board's interrogatory process gave the Other Applicants an opportunity to revise their bids after viewing their competitors' bids. For example, in response to General IR #26, ICN/TPT suggested that a large portion of its construction costs are due to interest during construction, escalation, contingency and financing costs – none of which is supported in the evidentiary references ICN/TPT provides back to its original Application in response to General IR #26. AltaLink Ontario is concerned that ICN/TPT used the interrogatory response to effectively modify its construction cost bid by assigning costs to categories it would later argue that the Board should ignore. By contrast, AltaLink Ontario's response to General IR #26 reflects, line for line, AltaLink Ontario's applied for construction budget as evidenced in AltaLink Ontario's original Application.

91. ICN/TPT has gone so far as to suggest that AltaLink Ontario's construction cost estimate is higher than any of the Other Applicants (ICN/TPT AIC, pg. 29, para. 73, footnote 65). However, for the reasons that follow, ICN/TPT's construction cost comparison is misleading. AltaLink Ontario applied with a range of construction costs between $425 million to $550 million, and AltaLink Ontario later identified a point estimate of $454,098,000 in response to General IR #26 (AltaLink Ontario Application, Part B, Section 8, and AltaLink Ontario Response to General IR #26.).

92. By contrast, ICN/TPT applied with a range of construction costs between $545 million to $712 million, with a point estimate of $572 million (ICN/TPT Application, Section 8). This range reflects a point estimate with a confidence interval of plus 30% /minus 5%.

93. Applying the same confidence interval percentage to ICN/TPT's updated construction cost provided in response to General IR#26 of $418,536,000, results in a confidence range of $397,609,200 (minus 5%) to $544,096,800 (plus 30%). AltaLink Ontario's construction cost forecast is not an outlier, rather it is entirely comparable with the confidence range of ICN/TPT's construction cost estimates. In addition, ICN/TPT's construction cost comparison also fails to incorporate its high OM&A costs into its project cost estimates, the present value of which over 50 years at 7% will cost ratepayers $43,472,351 more than AltaLink Ontario proposes for the same scope of work (AltaLink Ontario AIC, para. 72).

94. Unlike AltaLink Ontario and the remainder of the Other Applicants, UCT failed to provide in its Application a confidence interval applicable to its forecasted construction costs. AltaLink Ontario submits that this is symptomatic of UCT's overall approach to overstate the accuracy of its forecasted construction costs (UCT AIC, pgs. 14-16, paras. 45, 47, 48 and 53). The problem with this approach is that it implies by necessity that UCT's proposal will not change or evolve during the project development process. This suggests a fundamental lack of experience in managing the complexity of developing a transmission project of this magnitude. This is particularly problematic in light of AltaLink Ontario's concern that UCT has underestimated its forecasted construction costs by assuming use of guyed-Y steel lattice structures for its proposed double-circuit design, even though as noted in para. 64 above, UCT has provided no evidence that such structures have been successfully used for a double-circuit design in Northern Ontario or anywhere else. There is nothing to prevent UCT from dramatically underestimating its construction costs for the purposes of winning this designation process and then returning at the leave to construct with a significantly higher construction budget.

95. AltaLink Ontario has compiled an analysis of the confidence intervals of its and each of the Other Applicant's projected construction costs in Table 2 below. For the sake of simplicity, AltaLink Ontario took as a starting point the construction cost estimates for the reference design exactly as it and the Other Applicants provided in response to General IR #26 (ignoring for now concerns such as those AltaLink Ontario raises in para.

93 above). Next, AltaLink Ontario compiled the confidence interval that it and each of the Other Applicants (except UCT) provides for its construction estimates in its Application. AltaLink Ontario details in footnote [2] exactly where each confidence interval was found in each Other Applicants' Applications (except UCT), and if the interval was not expressed as a percentage exactly how the percentage was calculated. Finally, for the sake of completeness, AltaLink Ontario has calculated the Total Construction and OM&A Cost estimate of its and each of the Other Applicants proposals in a manner that is consistent with para. 72 of AltaLink Ontario's AIC, which argues that the Board should consider the all-in costs when comparing the different bids.

Table 2: Construction and OM&A Cost Comparison

Registered Transmitter	Reference Design Construction Costs [1]	Confidence Interval [2]	OM&A Annual Cost [3]	PV of OM&A (50 years @ 7%)	Total Construction and OM&A	Marginal Total Cost of Proposal
AltaLink	$454,098,000	+20%/-7%	$1,700,000	$23,461,269	$477,559,269	$0
UCT	$408,647,268	Not specified	$4,447,000	$61,371,919	$470,019,187	-$7,540,082
RES	$476,640,000	+8%/-13%	$2,761,000	$38,103,861	$514,743,861	$37,184,592
ICN/TPT	$486,891,000	+30%/-5%	$4,850,000	$66,933,620	$553,824,620	$76,265,351
CNPI	$526,761,000	+50%/-25%	$1,684,494	$23,247,274	$550,008,274	$72,449,005
EWT LP	$490,000,000	+22%/-22%	$7,120,000	$98,261,314	$588,261,314	$110,702,045

[1] Reference design construction costs are taken directly from each Applicant's response to General Interrogatory #26.

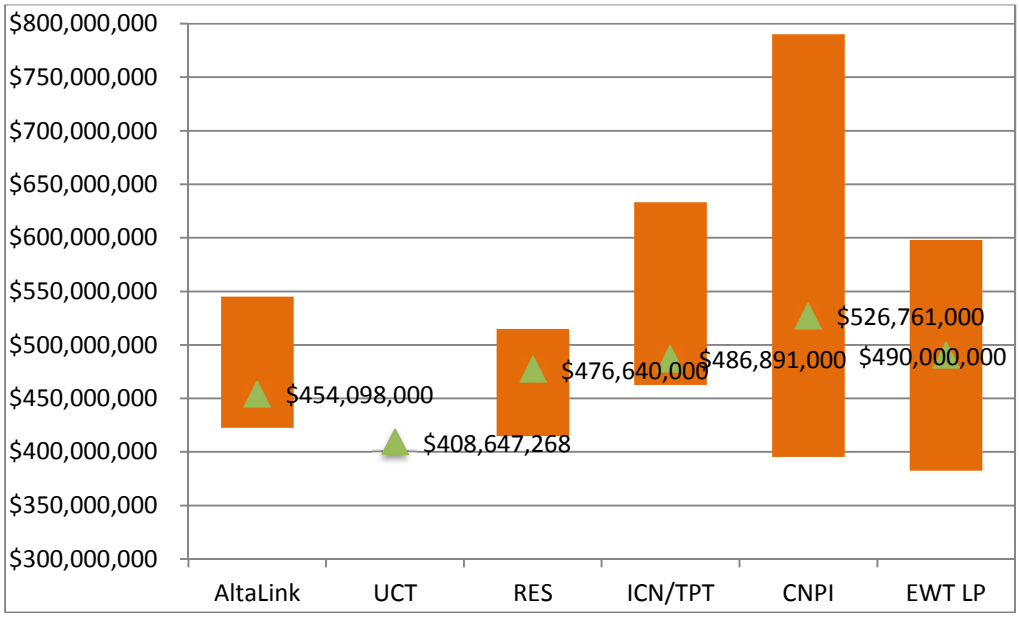
[2] - AltaLink Ontario confidence interval calculated based on the range $425M - $550M at Part B, Section 8 of its Application (and rounded up to nearest whole number).
- UCT fails to provide a confidence interval or range for its construction estimates in its Application.
- RES confidence interval calculated based on the range $417.1M-$512.9M at Exhibit B-1-1, Table B-4, para. 40 of its Application (and rounded up to nearest whole number).
- ICN/TPT confidence interval calculated based on the range $545M-$712M, and its original point estimate of $572M at Section 8 of its Application (and rounded up to nearest whole number).
- CNPI confidence interval is specified at Section 8.7, pg. 116, lines 6-10 of its Application.
- ELP's confidence interval is specified at Exhibit 8, Section 8.7.2, pg. 23, line 5 of its Application.

[3] OM&A costs are taken from directly from each Applicant's response to General IR #26. This is the same analysis as provided in Table 2 of AltaLink Ontario's AIC.

96. What is immediately observable from this comparison is that all of the construction cost point estimates fall within a fairly narrow range (+/-12% range of the average of $473.8M). But what is more illuminating is the wide confidence intervals involved in these forecasts. AltaLink Ontario's proposed construction cost estimate falls within or

below the confidence intervals of each of the Other Applicants' (except UCT) forecast construction costs. This is illustrated graphically in Figure 1 below.

Figure 1: Construction Cost Point Estimates and Confidence Intervals



97. In this context, CNPI assigned a "Contingency" value to AltaLink Ontario's construction cost estimate by moving AltaLink Ontario's construction cost estimate to the top end of its confidence interval without doing the same to itself and all of the Other Applicants (CNPI AIC, pg. 18, note 2). This is purposefully misleading. All of the Other Applicants (except UCT) provided a range of construction costs with a confidence interval to reflect uncertainty in its forecast. AltaLink Ontario sees no value in confusing the evidence before the Board by providing two different measures of uncertainty for its construction costs - contingency plus a confidence range (AltaLink Ontario Response to General IR#28). However, several of the Other Applicants did exactly this – expressing uncertainty as both a contingency plus a confidence range on top of the contingency. Comparing AltaLink Ontario's high end confidence range to only contingency estimates, without taking into account all of the Other Applicants respective confidence ranges, produces misleading results.

98. In conclusion, AltaLink Ontario submits that the Board should limit its weighting of the construction cost estimates because of: (i) the wide range in the accuracy of those estimates, as illustrated in Figure 1 and Table 2 above, (ii) the fact that none of the Applicants have completed the necessary development work to provide a detailed evidentiary backing for their construction forecasts, and (iii) the construction costs and schedules are not binding on an Applicant, rather these issues will be reassessed in detail by the Board as part of a leave to construct or subsequent rate proceeding. AltaLink Ontario submits that it is sufficient at this early stage for the Board to expect that an Applicant's proposed construction costs falls within the range of reasonable proposals received by the Board after taking into account the wide range of confidence intervals.

99. In comparing costs, the Board should focus primarily on an apples-to-apples comparison of binding and real development costs (Table 1 above), which are based on detailed proposals to complete the necessary development work of the East-West Tie Line and best represent the most cost-effective Applicant to develop the East-West Tie Line.

h) Landowner, municipal and community consultation

100. AltaLink Ontario has provided a wealth of evidence demonstrating its ability to conduct successful consultations with landowners, municipalities and local communities (AltaLink Ontario Application, Part A, Section 3.5, and Part B, Sections 2.3.1, 4.1.5, 4.1.6 and 4.3.4).

101. In addition, AltaLink Ontario proposed a plan to obtain the necessary rights-of-way and other land use rights, by category, required for the East-West Tie Line (AltaLink Ontario Application, Part B, Section 9.1), along with a detailed and comprehensive landowner, municipal and community consultation plan (AltaLink Ontario Application, Part B, Section 9.2, and Part C, Appendix 13 and Appendix 14).

102. In particular, AltaLink Ontario has provided a detailed six phase approach to consultations with associated timelines utilizing 10 different communication mechanisms, including but not limited to holding 5 rounds of public information centres

(PICs) in each of the communities within the study area (Thunder Bay, Nipigon, Terrace Bay, Marathon and Wawa) (AltaLink Ontario Application, Part C, Appendix 14, Section 5.2.6).

103. AltaLink Ontario's primary focus is to build trust, respect and long-term relationships though active listening and meaningful dialogue. Team members are well-versed in building relationships with stakeholders and Aboriginal groups in a variety of communities and situations (AltaLink Ontario Application, Part B, Section 4.3.4). AltaLink Ontario's draft EA Scope of Work and draft EA Terms of Reference documentation provides in considerable step-by-step detail the landowner, municipal and community consultations which AltaLink Ontario will complete if designated.

104. In this context, ELP alleges that AltaLink Ontario is taking a "design first, consult later" approach, by approaching stakeholders with a ready-made plan for project development. ELP alleges that this "will likely not be offering meaningful opportunities to receive and integrate public feedback and, as a result, risk encountering delays and cost impacts due to public opposition." (ELP AIC, pg. 41, lines 4-8).

105. This misleading assertion ignores AltaLink Ontario's clear commitment to meaningful stakeholder consultations included its Application (noted above), draft EA Terms of Reference and draft EA Scope of Work (AltaLink Ontario Application, Appendix 14, Section 5.2.6). Much like the Board would provide a draft policy as a starting point for public consultations on that policy, AltaLink Ontario has prepared the draft Terms of Reference and study plans for the Individual EA study components are intended to serve as a "starting point" framework for discussions, after designation by the Board, with Ontario Ministry of the Environment, First Nations, Métis and other stakeholder groups (AltaLink Ontario Response to AltaLink IR#2). The difference between ELP's approach and AltaLink Ontario's approach is that ELP deliberately withholds relevant information in its initial consultations, which is limited to project need, rationale and routing options. By contrast, AltaLink Ontario's approach provides stakeholders with a draft ToR, a draft EA Scope of Work and a draft routing and optimization report including a preliminary

recommended option, so that stakeholders can immediately understand the implications of the proposed project on their interests. This results in more deliberate and focused feedback much earlier in the stakeholder process.

106. AltaLink, L.P. has had considerable success in Alberta using its approach to public consultations. AltaLink, L.P. has consulted with over 50,000 landowners on some of its larger recent projects; this includes close to 4,500 one-on-one conversations with landowners, over 60 open houses and more than 80 information sessions or community meetings (AltaLink Ontario Application, Part B, Section 4.3.4, para. 90). In June 2012, AltaLink, L.P. commissioned an independent research firm to survey 1,040 landowners, occupants and renters from eleven projects throughout Alberta. Overall, 87% of respondents ranked their consultation experience with AltaLink as satisfactory to very positive (AltaLink Ontario Application, Part A, Section 3.4, para. 46). Notwithstanding these successful consultations in Alberta, AltaLink Ontario is committed to further tailoring its consultation program to meet the requirements of stakeholders in Northwestern Ontario.

107. Finally, and as noted above, if the Board finds during a subsequent leave to construct process that the line is no longer needed, ratepayer money spent on land acquisitions will have been wasted. As a result, and unlike the Other Applicants which have budgeted millions for land acquisitions during the development phase, AltaLink Ontario's land rights acquisition is included as a component of its proposed construction schedule (Appendix 16, C1001, C2001, C3001) and costs (Table 8.7-1). During the development phase, to the extent that consultations touch on land matters, those amounts are addressed in the public consultation components of the development budget (Table 8.2-1) and schedule (Appendix 16). This emphasises AltaLink Ontario's overall approach to, once again, minimize ratepayer risks during the project.

i) First Nation and Métis consultation

108. AltaLink Ontario notes RSMIN's submission that it has not been adequately consulted in respect of the East-West Tie Line project to-date. AltaLink Ontario is committed to, if

designated and once delegated the procedural aspects of the Crown's duty to consult, ensuring that RSMIN is given a real opportunity to be consulted about and participate in the proposed East-West Tie Line. In this regard, AltaLink Ontario notes that it has already met with two representatives of the RSMIN prior to submitting its Application for designation (AltaLink Ontario Response to General IR #11 and AltaLink IR #3).

109. AltaLink Ontario agrees with the RSMIN that First Nation and Métis consultation plans should be an important consideration in the designation decision. As noted in its AIC, AltaLink Ontario has a provided a comprehensive Consultation Plan to address consultations and a detailed Traditional Ecological Knowledge and Land Use Study Plan to improve planning and land use decision making processes such that First Nation and Métis peoples' values, needs and goals (individual and community) are considered (AltaLink Ontario AIC, paras. 82-87, AltaLink Ontario Application, Part B, Section 10.1).

110. The MNO indicate that in their view most prospective transmitters (except ELP) have demonstrated a capacity to undertake procedural aspects of Crown consultations and most (except ELP) have outlined processes that will be flexible and responsive to address the distinct and diverse consultation needs of affected First Nation and Métis communities (MNO Submissions, pg. 23). AltaLink Ontario has demonstrated its experience and capacity to undertake procedural aspects of Crown consultations (AltaLink Ontario Application, Part A, Section 3.4, 3.5, 3.6, 5.4 and 5.5, Part B, Section 4.3.5) and a flexible and responsive process to address the distinct and diverse consultation needs of affected First Nation and Métis communities (AltaLink Ontario Application, Part B, Section 10.1).

111. The MNO noted wide disparities between the First Nation and Métis consultation budgets proposed by some transmitters compared to others. AltaLink Ontario provides a comparison of budgeted First Nation and Métis consultation costs in Table 3 below (compiled from each Applicant's response to General IR#26).

112. SEC alleges that AltaLink Ontario's First Nation and Métis consultation budget "is roughly one quarter the size of other Applicants" (SEC Submissions, Section 6.2, pg. 19, para. 6.2.2). SEC appears to have made an error in reviewing the evidence in this regard (SEC does not provide any evidence pinpoints to support its allegation). In its Application, AltaLink Ontario combined the costs of First Nation and Métis consultation and participation, totalling $2,150,000 (AltaLink Ontario Application, Part B, Section 8.2, Table 8.2-1), and in response to General IR#26 AltaLink Ontario clarified that $1,640,000 of this amount is attributable to First Nation and Métis consultation. This amount is shown in comparison to the Other Applicant's consultation budgets provided in response to General IR#26 in Table 3 below.

113. AltaLink Ontario's budgeted consultation costs are consistent with those budgeted by CNPI, ELP, and UCT. By contrast, RES stands out as a distinct outlier, budgeting less than half of the amount budgeted the next lowest transmitter (CNPI). AltaLink Ontario agrees with the MNO that this calls into question the viability of the RES consultation plan, which is generic in nature and fails to identify the specific actions and milestones RES intends to meet (RES Application, Exhibit B-3-1).

Table 3: First Nation and Métis Consultation Component of Development Budgets

	AltaLink Ontario	**CNPI**	**ELP**	**ICN/TPT**	**RES**	**UCT**
First Nation & Métis Consultation	$1.64M	$1.6M	$1.71M	$11M	$0.76M	$1.723M

Compiled directly from each Applicant's response to General IR #26.

114. ICN/TPT, by contrast, has proposed by-far the most costly approach to First Nation and Métis engagement and consultations. ICN/TPT argues that "based on TransCanada's substantial engagement experience, the amounts Other Applicants have allotted for First Nations and Métis consultation are significantly less than what will likely be required. […] In Iccon/TPT's view, it is unlikely that the designated transmitter could undertake adequate engagement on the limited budgets proposed by Other Applicants" (ICN/TPT AIC, pg. 18, para. 44).

115. This overly conservative and expensive approach does not provide good value for ratepayer money. Rather, ICN/TPT's high consultation budget is due to ICN/TPT's problematic history with First Nation and Métis communities. ICN/TPT is the only Applicant actively involved in a claim regarding a failure to meet the Crown's duty to consult (ICN/TPT Response to General IR#14). This is also demonstrated in ICN/TPT's restrictive approach to First Nation and Métis participation. ICN/TPT is the only Applicant that has confirmed that it has not proposed equity participation with any First Nation and Métis communities (ICN/TPT Response to General IR #10). Finally, it is based upon TransCanada's experience with natural gas pipelines and fails to take into account the different concerns an electricity transmission line may raise for First Nation and Métis communities. This is because ICN and TPT do not have any experience developing transmission lines in Canada.

116. By contrast, AltaLink Ontario is drawing on AltaLink L.P.'s existing dedicated Aboriginal Relations team's experience consulting with First Nation and Métis communities about electricity transmission projects in Alberta, AltaLink L.P.'s experience partnering with the Piikani and Blood First Nations on an electricity transmission line, SNC-Lavalin's experience consulting with First Nation and Métis communities as part of a broader EA process for electricity transmission lines, and the guidance of Phil Fontaine and his team at Ishkonigan (AltaLink Ontario's Application, Part A, Sections 3.5 and 3.6, Part B, Section 3, Section 4.1.6, Part C, Appendix 14). Based on this combined experience and the input from a number of affected First Nation and Métis communities, AltaLink Ontario proposed a detailed plan and a reasonable budget for First Nation and Métis consultations and participation, which budgeted amounts are consistent with the budgets proposed by both ELP and CNPI.

117. CNPI alleges that "[o]ne of the applicants, ALT, has confirmed that "There was no direct involvement by First Nations or Métis communities in the development of the current draft Terms of Reference". These flawed assumptions pose real concerns not only about the proposed in service dates, but more importantly about the lack of consideration being given by the other applicants to Aboriginal and public input into the process" (CNPI AIC,

pgs. 20-21, lines 25-28, 1-2). CNPI's misleading assertion deliberately overlooks the clear terms of the draft Terms of Reference highlighted in AltaLink Ontario's response to AltaLink IR #2, which indicates that the draft ToRs will serve as a starting point framework for consultations, allowing AltaLink Ontario to hit the ground running on its consultation efforts promptly after designation. No Other Applicant completed this pre-development work to advance their environmental approvals timeline in the same way that AltaLink Ontario did. AltaLink Ontario's consultation plan is fully detailed in its draft EA Scope of Work (AltaLink Ontario Application, Part C, Appendix 14), and includes considerable opportunity for stakeholder input into the draft ToR prior to finalization and submission (Section 5.2.6).

j) Other factors – Proposals to reduce ratepayer risk

118. Finally, AltaLink Ontario submits that the Board should recognize the following two innovative proposals to reduce ratepayer risks as further "other factors" in support of a decision selecting AltaLink Ontario as the designated transmitter:

- AltaLink Ontario's proposed innovative tariff approaches to both development (AltaLink Ontario Application, Part B, Section 8.6) and construction costs (AltaLink Ontario Application, Part B, Section 8.11 and AltaLink Ontario IRRs, AltaLink Ontario IR #9) as well being open to a levelized tariff structure to address intergenerational fairness issues if the Board determines that this approach is preferable (AltaLink Ontario Application, Part B, Paras. 250-256).

- AltaLink Ontario's proposal to absorb its own costs of preparing its designation Application, reflecting an immediate and direct benefit to Ontario ratepayers of $1.6 million (AltaLink Ontario Application, Part B, Section 8.1 and AltaLink Ontario IRRs, AltaLink Ontario IR # 7).

E. THE SUBMISSIONS BY SOME OF THE OTHER INTERESTED PARTIES

119. To the extent possible, AltaLink Ontario has addressed the submissions of the other Interested Parties above in the context of the applicable designation criteria. The following Interested Parties raised issues which fall outside of the specific designation criteria, which issues AltaLink Ontario addresses below.

a) Algoma Coalition

120. AltaLink Ontario has reviewed the considered submissions of the AC. AltaLink Ontario welcomes the opportunity to working together with municipalities of Manitouwadge, White River, Chapleau, Hornepayne, Dubreuilville and Wawa and other municipalities affected by the line. AltaLink Ontario has explicitly identified the municipalities of White River and Wawa together with other upper and lower tier municipalities in its preliminary list of stakeholders (AltaLink Ontario Application, Part C, Appendix 13, Section 2.5). AltaLink Ontario will add Manitouwadge, Chapleau, Hornepayne, and Dubreuiville and other upper and lower tier municipalities to its list once designated.

121. SNC-Lavalin will be acting as construction manager, delegating much of the work to qualified subcontractors through competitive procurement processes (AltaLink Ontario Application, Part B, Section 4.4.6, Part C, Appendix 5, Figure 2, page 10). AltaLink Ontario will work with SNC-Lavalin to ensure that local business are given an opportunity to bid on any services they are qualified to supply. In addition, AltaLink Ontario's proposal includes a future local office in Thunder Bay that will have overall management accountability for operations and maintenance of the line. The majority of operations and maintenance functions, including vegetation management and right of way maintenance, will be contracted out to companies located in the project area whenever possible – creating direct local employment opportunities and benefits over the life of the East-West Tie Line (AltaLink Ontario Application, Part B, Section 2.1.2). AltaLink Ontario has also committed to consulting with affected municipalities on land use planning and approved developments, commercial activities, community profile, community and regional infrastructure, community services, landscape and visual

assessments and traditional/aboriginal land use, and cultural environment (AltaLink Ontario Application, Part C, Appendix 13, Section 5.2.1).

b) Consumers Council of Canada

122. AltaLink Ontario understands that CCC is proposing that the Board add further steps to its designation process to assist in the Board's decision making process with respect to the various issues outstanding in this proceeding (CCC Submissions, pg. 8). AltaLink Ontario is concerned that any further delays in this process will simply increase costs for ratepayers without creating any additional value for the Board. An oral hearing is not necessary every time there are conflicting positions as amongst various competing Applicants, rather an oral hearing should only be convened if the Board intends to make an adverse finding on the credibility of a particular Applicant or their Application.

123. In addition, it is unclear to AltaLink Ontario what the role of an IESO or OPA report would be. Both the IESO and OPA made helpful submissions in this proceeding. AltaLink Ontario is concerned if CCC expects that the Board would defer its decision making authority to reports provided by the OPA and the IESO on the issues of scheduling, routing, technical design and costs.

c) NOACC/NOMA

124. AltaLink Ontario has reviewed the considered submissions of NOACC/NOMA. AltaLink Ontario appreciates the need for reliability of supply in the Northwest Region (NOACC/NOMA Submissions, Section 4, pgs. 4-6) and NOACC/NOMA's concerns about the ability of the proposed single-circuit design to meet those reliability requirements (Ibid. Section 5, pgs. 7-9). Both the OPA and the IESO prefer the double-circuit option for reliability reasons, and there is no basis upon which the Board should designate a transmitter that would offer a less reliable design.

125. AltaLink Ontario notes that NOACC/NOMA’s list of possible tower or line failure events (weather events, failing structural integrity, or sever impact) are physical in nature and

fail to take into account electrical contingencies such as (but not limited to) line faults (single phase-to-ground faults, phase-to-phase faults, three-phase faults), substation failure, severe equipment overload, voltage or system instability, or islanding, each of which can and do affect single lines in a double-circuit configuration. As the IESO explains: "[a] double-circuit design is inherently more reliable than a single-circuit design as double-circuit contingencies are far less common than single-circuit contingencies" (IES Submissions, pg. 2, Section 1).

126. Finally, as noted in response to the submissions of the AC, AltaLink Ontario welcomes the opportunity to working together with all municipalities affected by the line. AltaLink Ontario has explicitly identified several affected municipalities in its preliminary list of stakeholders (AltaLink Ontario Application, Part C, Appendix 13, Section 2.5). AltaLink Ontario will add additional affected municipalities to its list once designated. See also para. 121 above.

d) Power Workers Union (PWU)

127. It is no surprise that the PWU recommends that ELP be designated as the successful transmitter for the East-West Tie. In its February 3, 2012 letter of intervention, the PWU attached a list of related PWU employers. These include parties with financial interests in ELP (Hydro One, Great Lakes Power and Brookfield). As with any trade union, the fundamental purpose of the PWU is to advocate for its own members. With respect to the development, construction and operation of the East-West Tie, the PWU endeavours to ensure that the related jobs are filled by as many PWU members as possible. The PWU submissions are largely self-serving and must be regarded as such by the Board in its deliberations.

128. The PWU also make the extraordinary claim that the designation of a transmitter other than EWT LP would not be in the public interest because of a “transfer of wealth and economic benefits from Ontario to other provinces and countries” (page 43, PWU submissions). This unsubstantiated assertion has no credibility and should be given no weight by the Board. As a Canadian owned entity operating in Ontario, AltaLink Ontario

will pay any relevant municipal, provincial and federal taxes, inevitably employ scores of Ontarians and other Canadians and, as the proponent of the best plan for the East-West Tie, will ultimately benefit Ontario ratepayers in delivering a cost-effective and world-class project.

129. We would remind the PWU that the failed Niagara Reinforcement transmission project was developed entirely by publically-owned, Ontario-based Hydro One and is a sobering example of how Ontario ratepayers and taxpayers can be exposed by shouldering 100% of the risks of project failure associated with publically-owned entities. AltaLink Ontario submits that part of the rationale and prudence for opening up the East-West Tie to competition and new entrants is to shift risk away from Ontario taxpayers and ratepayers to the developer and its private shareholders which better serves the public interest when compared to failed transmission projects such as the Niagara Reinforcement line.

F. CONCLUSIONS

130. When considering the Applicant's reply submissions, the Board must ensure that no Applicant has attempted to use reply as an opportunity to modify, change or amend its plan. AltaLink Ontario has not done so, and has provided detailed pin point citations to the relevant evidence in both its AIC and this reply. As the Board clearly indicated in Procedural Order No. 5 (January 8, 2013), "applicants should be compared on the basis of applications as filed". It would be inappropriate and unfair to allow an Applicant in its reply to have one last attempt to shore up or otherwise improve its plan to address any shortcomings or other defects. Similarly, in arriving at its Decision the Board should not attach conditions that have the effect of fundamentally modifying or changing a plan which was not ever presented or contemplated by the Applicant in question. All Applicants filed what must be considered as their best Applications and the Board's Decision and selection of a transmitter to designate must be based on those same Applications as they were originally filed.

131. For all of the forgoing reasons, the Applicant submits that the Board should find that AltaLink Ontario is the most qualified and cost-effective transmitter to be designated to develop the proposed East-West Tie Line.

All of which is respectfully submitted this 3rd day of June, 2013.

Original signed by J. Mark Rodger
J. Mark Rodger

Counsel to AltaLink Ontario LP

Original signed by John A.D. Vellone
John A.D. Vellone

Counsel to AltaLink Ontario LP

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Appendix "A" - Reply to the AIC of CNPI

REPLY TO ASSERTIONS
CONTAINED IN ARGUMENT-IN-CHIEF ("AIC") OF
CANADIAN NIAGARA POWER INC. ("CNPI")

No.	AIC Citation	Assertion	AltaLink Ontario Reply	Relevant Evidence
1.	B. 1. Aboriginal Equity Participation pg. 17, lines 10-12	"It appears that ALT, ICN, UCT and RES have not made any real progress in developing equity participation, and it is therefore questionable whether they will be able to finalize equity participation within the proposed timeframe."	As noted in its AIC, AltaLink Ontario submits that the Board should not give preference to incumbent transmitters who have existing First Nation and Métis participation arrangements. Doing so would be contrary to the Board's determination at page 8 of its Phase 1 Decision and Order. It would also unfairly favour incumbent transmitters because of their existing presence in Ontario directly at the expense of new transmission entrants. It is important in these circumstances that the Board maintain the approach it set out in the Phase 1 Decision and Order not to look more favourably upon First Nation or Métis participation that is already in place at the time of application than upon a high quality plan for such participation. AltaLink Ontario supports the Board's approach in this regard.	AltaLink Ontario AIC, paras. 16-17. Phase 1 Decision and Order dated July 12, 2012, at page 8.
2.	B. 1. Aboriginal Equity Participation pg. 18, lines 1-2.	"As can be seen from the following table entitled "Potential Aboriginal Equity Participants", CNPI's plan for Aboriginal participation benefits potentially the greatest number of Aboriginal communities."	CNPI's joint venture with Lake Huron Anishinabek Transmission Company ("LHATC") is made up of: 2 First Nations that are identified in the Ministry's list of First Nations affected by the East-West Tie Line; 19 First Nations that may be interested in, but are not identified as affected by, the East-West Tie Line; and 0 Métis communities. It appears that CNPI is unable to commit to offering "equal" participation to the remaining 12 First Nation and 4 Métis communities identified in the Ministry's list as affected by the East-West Tie Line, because any such participation is conditional on agreement of LHATC (CNPI's Response to General IR#6). In addition, CNPI's approach to participation is flawed by design because it fails to link participation to impact. Doing so fails to recognize the increased impact of the project on directly affected communities and dilutes the equity stake available to the directly affected First Nation and Métis communities among a large number of interested, but not affected communities. By extending equity participation to any interested First Nation and Métis communities, it is unclear where the invitation to participate ends. On what principled basis does CNPI propose to permit the participation of some interested First Nation and Métis communities but to exclude the	CNPI Application, Page 6 of 160. CNPI's Response to General IR#6.

No.	AIC Citation	Assertion	AltaLink Ontario Reply	Relevant Evidence
			participation of other interested First Nation and Métis communities? Finally, in light of LHATC's veto right over any new participation arrangements, on what principled basis does CNPI propose to permit the participation of some interested First Nation communities but to exclude the participation of other directly affected First Nation and Métis communities if LHATC consent cannot be obtained?	
3.	B. 1. Aboriginal Equity Participation pg. 18, lines 19-25.	"Given the timeframe required to develop and construct the EWT, the applicants who have merely initiated contact or have held brief meetings (ALT, RES, ICN, and UCT) will likely find that their plans for participation will take much longer to implement than allowed for in their schedules. Alternatively, Aboriginal participation and consultations will get inadequate attention by these applicants (ALT, RES, ICN and UCT) who have tight project schedules, and have not provided for the time to get these participation relationships in place."	Please see AltaLink Ontario's reply to No. 1 above. Contrary to CNPI's misleading assertion, AltaLink Ontario has put forth comprehensive, innovative and inclusive plans for First Nation and Métis participation and consultation, including in response to General IR #5 providing a detailed listing of the experienced and knowledgeable individuals which AltaLink Ontario has assigned to implement these plans. AltaLink Ontario has initiated contact with all directly affected First Nation and Métis communities. AltaLink L.P. has direct experience establishing similar participation arrangements with the Piikani and Blood First Nations in Alberta, which illustrates the success of AltaLink Ontario's approach. Based on its experience and efforts to-date, AltaLink Ontario expects that the time allocated will be sufficient to put such arrangements in place.	AltaLink Ontario Application, Part A, Section 3.6 and Part B, Sections 3 and 10. AltaLink Ontario Response to General IR #5.
4.	B. 1. Aboriginal Equity Participation pg. 19, lines 1-10.	"Most of the applicants were applying for transmission licenses in 2010, while Fortis concentrated its time on relationship building with First Nations. While these other applicants were capable of initiating contact with Aboriginal communities, they either chose not to or were unsuccessful in developing meaningful and binding relationships (ALT, RES, ICN and UCT). It is this group that seems to be relying upon correspondence or conversations from the Ministry, OPA and/or OEB as being an indication that they should forgo all discussions with these communities until they have been designated. Meantime, Fortis has had and continues to hold numerous meetings over this two year time frame with its LHATC partners in connection with the designation proceeding and the application.."	Contrary to CNPI's misleading assertion, of the 18 First Nation and Métis communities identified in the Minister's letter of May 31, 2011 - CNPI has only made arrangements with two (2) of those communities - while AltaLink Ontario has made contact with all eighteen (18) communities and has met with twelve (12) of the communities to discuss the project and participation arrangements. Information from these meetings was considered in the development of AltaLink Ontario's participation and communication plans. For the reasons noted at para. 98 of its AIC, AltaLink Ontario believes that a transmitter like CNPI that established formal participation arrangements prior to designation is as acting prematurely, and in a manner that is contrary to ratepayer interests. Please see AltaLink Ontario's reply to Nos. 1, 2 and 3 above.	AltaLink Ontario Response to General IR #11 and AltaLink IR #3. AltaLink Ontario AIC, para. 98.
5.	B. 2. Aboriginal Consultation pg. 20, lines 4-10.	" The "tick off the box" (ALT, RES, ICN, UCT) and exclusive Aboriginal arrangement (ELP) applicants have been unrealistic in setting their in service dates. Perhaps this is a combination of the following: a lack of experience in Aboriginal relations in Ontario; and an intention to keep out Aboriginal communities from meaningful participation in the process. This can be seen by the other applicants' (ALT, RES, ELP, ICN, UCT) proposals which have scheduled EA field work before submission of their EA	AltaLink Ontario has not adopted a "tick off the box" approach to Aboriginal arrangements or an "unrealistic service date" as alleged by CNPI. The OPA views a 2018 in-service date as appropriate for the East-West Tie expansion. Every other applicant except CNPI can meet this in-service date. The OPA indicates this timeline is consistent with the OPA's understanding of typical transmission development timelines. Despite this,	OPA Phase 2 Submissions, May 9, 2013, at Section 2, pg. 3. AltaLink Ontario Application, Part B, Section 7.3.4, and Part C, Appendix 13, Appendix 14 and Appendix 15 and Appendix 16.

No.	AIC Citation	Assertion	AltaLink Ontario Reply	Relevant Evidence
		terms of reference."	CNPI's project schedule does not meet this timeline. Differences in the particular components of the schedules as between applicants should be expected. AltaLink Ontario brings a new set of capabilities and core competencies to Ontario, which differs from those of CNPI. Unlike CNPI, AltaLink Ontario completed significant pre-development work by preparing and filing as part of its Application a draft EA Terms of Reference ("ToR"), a draft EA Scope of Work, and a draft Route Selection and Optimization Study. This work will allow AltaLink Ontario to hit the ground running immediately following designation to commence public consultations. No other Applicant has done this pre-development work, meaning that they are simply unable to match AltaLink Ontario's development schedule because they must now complete all of this pre-development work after the designation decision. AltaLink Ontario's pre-development work is to the benefit of Ontario ratepayers, because AltaLink Ontario is not seeking recovery of the $1.6 million for work to prepare its Application completed prior to January 4, 2013. Notwithstanding the considerable pre-development work that has already been completed, AltaLink has built considerable flexibility into its proposed project schedule. This flexibility means that AltaLink Ontario can accommodate delays of up to 4 months in the applied for EA schedule without any cost or schedule risk. In addition, AltaLink Ontario's EA schedule can be extended with no risk by an additional 8 months because of flexibility built into AltaLink Ontario's 3-year construction schedule. Specifically, AltaLink Ontario would achieve the 4 month savings by altering its construction schedule and utilizing the 3-month period currently allocated between LTC and commencement of construction to start preliminary construction work (such as site clearing) without increasing overall costs. In addition, AltaLink Ontario's applied for construction period can be reduced by 8 months by increasing the number of crews from 2 to 3 without increasing overall costs.	
6.	B. 2. Aboriginal Consultation pg. 20, lines 25-28 and pg. 21, lines 1-2.	"One of the applicants, ALT, has confirmed that "There was no direct involvement by First Nations or Métis communities in the development of the current draft Terms of Reference". These flawed assumptions pose real concerns not only about the proposed in service dates, but more importantly about the lack of consideration being given by the other applicants to Aboriginal and public input into the process."	CNPI's misleading assertion deliberately overlooks AltaLink Ontario's clear response to AltaLink IR #2, which indicates that the draft ToRs will serve as a starting point framework for consultations, allowing AltaLink Ontario to hit the ground running on its consultation efforts promptly after designation. No other applicant completed this pre-development work to advance their environmental approvals timeline in the same way that AltaLink Ontario did.	AltaLink Ontario Response to AltaLink IR #2. AltaLink Ontario Application, Part C, Appendix 14, Section 5.2.6.

No.	AIC Citation	Assertion	AltaLink Ontario Reply	Relevant Evidence
			AltaLink Ontario's consultation plan is fully detailed in its draft EA Scope of Work (Appendix 14), and includes considerable opportunity for stakeholder input into the draft ToR prior to finalization and submission (Section 5.2.6).	
7.	B. 2. Aboriginal Consultation pg. 21, lines 4-5 and 9-11.	"The proper approach is that being taken by CNPI. Its timing is realistic and respectful of Aboriginal and public input. […] The other applicants not only risk negative reaction from Aboriginal communities, but in the end will likely have project delays and possibly cost increases resulting from their intransigence, which will push their service dates beyond 2019."	There is frankly no evidence on the record to support CNPI's misleading assertion. To the contrary, the Métis Nation of Ontario, which represents 3 of the identified Métis Councils, stated that "[t]he AltaLink participation plan demonstrates the success this designation process has had in potentially maximizing participation opportunities for all proximate aboriginal communities."	MNO Submissions, pg. 17.
8.	B. 3. Project Costs pg. 24, lines 7-8.	"It is apparent from this bar chart that ELP's, ICN's and ALT's total project costs are similar and significantly higher than UCT's and RES'."	CNPI has not completed the necessary development work to provide a detailed evidentiary backing for its construction forecasts. This is reflected in CNPI's own confidence interval for its construction costs, which is +50%/-25%, as specified at Section 8.7, pg. 116, lines 6-10 of its Application. This +50%/-25% confidence interval is equivalent to AltaLink Ontario's range of construction costs. Yet, CNPI identified additional uncertainty in its forecast construction cost with an estimated $80M Contingency. This essentially reflects further uncertainty in the upwards direction, increasing the +50% confidence interval by a further $80M. In footnote #2 to the table CNPI deliberately misleads the Board allocating to Contingency the full amount of AltaLink Ontario's confidence interval, while ignoring CNPI and the Other Applicant's own confidence interval estimates. Finally, the construction costs and schedules are not binding on CNPI – rather these issues will be re-assessed in detail by the Board as part of a leave to construct or subsequent rate proceeding.	CNPI Application, Section 8.7, pg. 116, lines 6-10.
9.	B. 3. Project Costs pg. 25, lines 11-13.	"CNPI notes that other applicants have spent significantly more speculative funds in preparation of their designation applications, but CNPI has not observed any significant differences in the conclusions presented."	Unlike CNPI, AltaLink Ontario completed significant pre-development work by preparing and filing as part of its Application a draft EA Terms of Reference ("ToR"), a draft EA Scope of Work, and a draft Route Selection and Optimization Study. This work will allow AltaLink Ontario to hit the ground running immediately following designation to commence public consultations. No other Applicant has done this pre-development work, meaning that they are simply unable to match AltaLink Ontario's development schedule because they must now complete all of this pre-development work after the designation decision. AltaLink Ontario's pre-development work is to the benefit of Ontario ratepayers, because AltaLink Ontario is not	AltaLink Ontario's Application, Part C, Appendix 13, Appendix 14, and Appendix 15.

No.	AIC Citation	Assertion	AltaLink Ontario Reply	Relevant Evidence
			seeking recovery of the $1.6 million for work to prepare its Application completed prior to January 4, 2013.	
10.	B. 3. Project Costs pg. 25, line 24 and 30-31, and pg. 26, lines 1-4.	"CNPI has elected to submit the expected maximum cost to complete the project. […] CNPI expects to reduce cost as final design progresses and appropriate cost-saving opportunities are investigated, while meeting or exceeding all design requirements. This philosophy is opposite to the some applicants that have submitted low conceptual estimates with multiple limiting criteria. ALT, UCT, and RES chose to exclude interest during construction which is a standard cost for construction projects in Ontario."	CNPI's proposal to develop the East-West Tie Line will cost Ontario ratepayers approximately $5.8 million, or 32% more, than AltaLink Ontario proposes for the same scope of work. CNPI's proposal to develop the East-West Tie Line also excludes interest during construction amounts (as noted in CNPI's Response to General IR#26). Quite simply, if CNPI had any real cost-saving opportunities in mind, it was incumbent upon CNPI to identify those in advance and include those in their Application. They have not done so, and consequently have failed to justify their high development costs.	AltaLink Ontario, AIC, para. 89. CNPI Response to General IR #26.
11.	B. 4. Project Schedule pg. 29, lines 9-12.	"CNPI is concerned that the proposed in service dates of the other applicants (RES, ALT, ELP, ICN and UCT) are unrealistic for reasons related to their time estimates for the EA process. Furthermore, the reduced schedules proposed by others may result in poor quality EA work and risk approval/schedule delays."	Please see AltaLink Ontario's reply to No. 5 above.	
12.	B. 4. Project Schedule pg. 31, lines 1-2 and lines 9-11.	"CNPI submits that the other applicants' schedules, proposed EA initiation and approval time estimates do not account for adequate approval and government review wait times." "Two applicants ALT and UCT have proposed schedules that would not even meet (described as "Fail" in the EA and Scheduling Table) the minimum MOE time for production of a typical EA."	CNPI's analysis assumes that work starts from June 1, 2013. However unlike CNPI, AltaLink Ontario completed significant pre-development work by preparing and filing as part of its Application a draft EA Terms of Reference ("ToR"), a draft EA Scope of Work, and a draft Route Selection and Optimization Study. This work will allow AltaLink Ontario to hit the ground running immediately following designation to commence public consultations. No other Applicant has done this pre-development work, meaning that they are simply unable to match AltaLink Ontario's development schedule because they must now complete all of this pre-development work after the designation decision. AltaLink Ontario's pre-development work is to the benefit of Ontario ratepayers, because AltaLink Ontario is not seeking recovery of the $1.6 million for work to prepare its Application completed prior to January 4, 2013. In addition: • AltaLink Ontario's development schedule will be based on the actual date of designation, not April 30, 2013 (as noted in response to Board Staff's submissions). Appendix 16 includes both task dependencies and durations which AltaLink Ontario will be held to based on the actual date of designation. • AltaLink Ontario's ToR preparation and approval schedule respects the 12 week government review period. This is confirmed by SNC-Lavalin at pg. 2 of the draft ToR at Appendix 13 of the ATL Application.	AltaLink Ontario Application, Part B, Section 7.3.4, and Part C, Appendix 13, Appendix 14 and Appendix 15 and Appendix 16.

No.	AIC Citation	Assertion	AltaLink Ontario Reply	Relevant Evidence
			This can also be confirmed by reference to the schedule at Appendix 16 by noting the difference between July 2, 2013 (EA104 Formal submission of ToR) and September 30, 2013 (EA106 Ministry of Environment decision on ToR), which is 90 days, more than 12 weeks. • AltaLink Ontario's EA approval schedule respects the regulatory review and approvals time requirements for the Ontario EA process as prescribed in Ontario Regulation 616/98 (See Appendix 14, pgs. 72-74 and Table 7).	
13.	B. 4. Project Schedule pg. 32, lines 18-24.	"[A]ll of the applicants other than CNPI (ALT, UCT, RES, ICN and ELP) propose to start natural heritage, archeological and other field work on a preselected route (or routes) in advance of ToR formal submission or before the ToR document is approved. This presents potentially serious limitations and implications on how interested parties will view this most important first step in the approvals process and their rights to have their voices heard during the development phase approvals process."	AltaLink Ontario's EA schedule is based on the generally accepted practice of initiating the seasonal field studies prior to approval of the ToR. The risk of completing an unnecessary field study is more than offset by the advantages achieved by not delaying the development schedule by up to a year after ToR approval. In addition to this seasonally dependent technical field work, AltaLink Ontario made a clear commitment to meaningful stakeholder consultations in its Application, draft EA Terms of Reference and draft EA Scope of Work, which includes the provision for feedback on routing and design. In a 2012 independent survey of 1,040 landowners, occupants and renters, over 87% of respondents ranked their consultation experience with AltaLink as satisfactory to very positive. AltaLink Ontario brings to Ontario the same commitment to meaningful opportunities to consult with and integrate feedback from stakeholders.	AltaLink Ontario Application, Part A, Sections 3.4, Part B, Sections 9 and 10, and Part C, Appendix 13, Sections 6.1.1 and 8 and Appendix 14, Section 5.2.6 and Table 7.
14.	B. 4. Project Schedule pg. 32, lines 30-31 and pg. 33, lines 1-4.	"Further, both ALT and UCT have identified only one route and no alternatives. CNPI questions how these applicants will manage requests for consideration of alternatives during the ToR development without either scheduling or cost revisions. Furthermore, CNPI does not believe that these applicants can satisfy the anticipated Aboriginal and public comments on alternative routes and the requirements under the EA Act to consider alternatives as required under section 6.1(2)."	Contrary to CNPI's misleading assertion, AltaLink Ontario has filed a draft Route Selection and Optimization Report (Appendix 15) which identifies various options available for each segment of the proposed East-West Tie Line and indicates AltaLink Ontario's preliminary route choice based upon its articulated decision criteria and optimization approach, which routing choice will continue to be refined as part of AltaLink Ontario's development effort, including stakeholder consultations as described in AltaLink Ontario's draft EA Scope of Work (Appendix 14, Section 5.2.6).	AltaLink Ontario Application, Part C Appendix 14, Section 5.2.6 and Appendix 15.
15.	B. 4. Project Schedule pg. 33, lines 6-13.	"Local and Aboriginal communities can justifiably be expected to react negatively when important alternatives (particularly alternative routes and many other environmental requirements of the EA process) have already been assumed to be fixed and limited by many of the applicants. A strong negative reaction can be expected if the proposed route or studies are limited with respect to issues that are of concern to interested parties. As a result, both the project schedule and even its approval potential	CNPI's assertion is misleading. AltaLink Ontario has provided a detailed description of its route selection activities at Section 9.3 of its Application, which includes a draft route selection and optimization report prepared by SNC-Lavalin at Appendix 15 of its Application. This proposed route will be further refined as part of the EA process, as detailed in the draft EA ToR (Appendix 13) and the draft EA Scope of Work (Appendix 14). Specifically, the various activities in AltaLink Ontario's public	AltaLink Ontario Application, Part B, Section 9.3, and Part C Appendix 13, 14, and 15.

No.	AIC Citation	Assertion	AltaLink Ontario Reply	Relevant Evidence
		can be negatively affected. The above issues could potentially lead to legal or other delaying challenges later – and claims of a flawed planning process under the EA Act."	consultation schedule (EA101 of Appendix 16) are specified in considerable detail in Appendix 14, Section 5.2.6. These consultations include as a purpose and objective incorporating feedback received through consultations into decision making with respect to routing.	
16.	B. 4. Project Schedule pg. 34, lines 9-26.	"Spring is one of the critical seasons for work and if competitor's schedule misses this season the work will have to be completed in the next year." "[I]f environmental constraints are found during this work that necessitate route re-examination or examination of a different route to avoid the environmental factor of concern, as indicated in row 10 of the EA Table, the schedules of the other applicants do not provide any time for this work prior to EA submission." "The CNPI submission provides additional time to accommodate adaptive field work and allows for: o Delays in OEB selection of the designated applicant; o Agency, Public and Aboriginal consultation on the field program; o Appropriate timing for field studies (i.e. spring/summer/winter); o Possible change or amendment to the preferred route as the project and consultation progresses; and, o Unanticipated findings in the field which may necessitate route refinement and/or further field study. The other applicants have not allowed for the required flexibility to accommodate these anticipated scenarios in their field work schedule."	Based on its experience, SNC-Lavalin has proposed the generally accepted practice of initiating seasonal field studies prior to approval of the Terms of Reference (See Appendix 14, Table 7). The risk of completing a potentially irrelevant field study is greatly outweighed by the schedule savings of initiating such seasonally dependent field work prior to the final ToR. , Rather than delaying all of the relevant field work, exceptions can be managed on a case-by-case basis if and as they arise. Please see AltaLink Ontario's reply to No. 5 above.	AltaLink Ontario Application, Part C, Appendix 14, Table 7.
17.	B. 4. Project Schedule pg. 35, lines 5-10.	"In order to provide an expedited in service date, the other applicants have put detailed route field work before approval of the ToR. This has serious implications for the required Aboriginal and public consultations. In doing so, the other applicants are creating an impression that they do not take the EA approvals and consultation process seriously, thereby raising question as to how Aboriginal concerns that may be expressed during the development planning process will be received by the applicants."	AltaLink Ontario has taken a very broad and inclusive approach to both First Nation and Métis consultations, and with public consultations more generally.	
18.	C. Other Factors pg. 38, lines 2-6.	"Most applicants have submitted East-West Tie proposals based largely on technical/management support and significant ownership from out of Canada (Isolux – ICN, NextEra – UCT, RES) and/or out of province (ALT). CNPI's Canadian proposal is an Ontario based transmission solution with its management and technical teams based primarily in Ontario."	Contrary to the Board's determination in its Phase 1 Decision and Order, CNPI is asking the Board to favour its Ontario experience over experience gained by other applicants in other jurisdictions. AltaLink Ontario submits that such an approach is not appropriate as it bestows an unfair advantage upon incumbent utilities at the expense of new entrants. AltaLink Ontario has demonstrated in its	Phase 1 Decision and Order dated July 12, 2012 (EB-2011-0140), Page 6. AltaLink Ontario Application, Part A, Section 3 and Part B, Sections 2.3, 2.4, 4, 5, and 10.2.

No.	AIC Citation	Assertion	AltaLink Ontario Reply	Relevant Evidence
			application that it is fully capable of developing, constructing and operating the East-West Tie Line to meet the needs of the OPA and the IESO, based on its affiliate's experience in Alberta and SNC-Lavalin's global and Ontario specific experience.	
19.	C. Other Factors pg. 38, lines 10-13 and 17-19.	"The other applicants have very loose organizational charts proposed for the East-West Tie Project with functional departments identified but little or no Ontario personnel committed to the project (ALT teams is Calgary based […]). CNPI does not have that issue and has identified the qualified personnel and organizational charts for the project development and construction phases, as well as for the operation and maintenance phase."	Contrary to CNPI's misleading assertion, AltaLink Ontario has identified Darin Watson as its overall project manager for the East-West Tie project. Darin has managed major projects in the U.S., Australia and Ontario. This experience is complimented by the Ontario based and international experience of the SNC-Lavalin members of AltaLink Ontario's management team. Finally, AltaLink L.P.'s Alberta based experience is directly relevant to the Ontario environment. Contrary to the Board's determination in its Phase 1 Decision and Order, CNPI is asking the Board to favour its Ontario team over an experienced team from other jurisdictions. Finally, AltaLink Ontario's proposal includes a future local office in Thunder Bay that will have overall management accountability for operations and maintenance of the line.	AltaLink Ontario Response to General IR#2. Phase 1 Decision and Order dated July 12, 2012 (EB-2011-0140), Page 6.
20.	C. Other Factors pg. 39, lines 11-20.	"The other applicants (ALT, RES, ELP, ICN, and UCT) have estimated shortened schedules and in service dates. These applicants have not estimated adequate EA approval and review wait times. In addition, they have proposed work on EA components in advance of Terms of Reference submission or approval. Further, their schedules do not provide sufficient time for Aboriginal and public input including the environmental studies required in the planning process. These flaws pose credibility concerns for all of the other applicants and potentially jeopardize their ability to obtain project development approval under EA. CNPI has scheduled adequate time frames for EA studies, approval and review, including Aboriginal community and public input."	AltaLink Ontario has not adopted a "shortened schedule" as alleged by CNPI. Please see AltaLink Ontario's reply to No. 5 above. The OPA views a 2018 in-service date as appropriate for the East-West Tie expansion. The OPA indicates this timeline is consistent with the OPA's understanding of typical transmission development timelines. CNPI's project schedule does not meet this timeline.	OPA Phase 2 Submissions, May 9, 2013, at Section 2, pg. 3. AltaLink Ontario Application, Part B, Section 7.3.4, and Part C, Appendix 13, Appendix 14 and Appendix 15 and Appendix 16.
21.	C. Other Factors pg. 39, lines 26-28 and pg. 40, lines 1-8.	"Other applicants have spent and/or plan to spend exorbitant amounts in excess of $1 million (ALT $1.6 million; […]) to prepare their applications and complete the designation process. ALT initially failed to provide this information and did not respond to this filing requirement in its application. These applicants have delivered similar engineering design, development and construction, operations and maintenance, regulatory, and environmental approval project plans to CNPI's plan along with similar qualifications. CNPI has concerns that rate payers will bear the costs of these excessive expenditures (either directly or indirectly), regardless of the claims by certain applicants (ALT, RES, ELP and UCT) that they will not seek	Unlike CNPI, AltaLink Ontario completed significant pre-development work by preparing and filing as part of its Application a draft EA Terms of Reference ("ToR"), a draft EA Scope of Work, and a draft Route Selection and Optimization Study. This work will allow AltaLink Ontario to hit the ground running immediately following designation to commence public consultations. No other Applicant has done this pre-development work, meaning that they are simply unable to match AltaLink Ontario's development schedule because they must now complete all of this pre-development work after the designation decision. AltaLink Ontario's pre-development work is to the benefit	AltaLink Ontario Application, Part B, Section 8.1, Part C, Appendix 13, Appendix 14 and Appendix 15. AltaLink Ontario Response to AltaLink IR #7.

No.	AIC Citation	Assertion	AltaLink Ontario Reply	Relevant Evidence
		recovery."	of Ontario ratepayers, because AltaLink Ontario is not seeking recovery of the $1.6 million for work to prepare its Application completed prior to January 4, 2013. Finally, AltaLink Ontario has not failed to respond to a filing requirement as alleged by CNPI. In its Application AltaLink Ontario clearly stated that it will not seek recovery of the costs incurred to prepare its Application (meaning that amount is $0 from a rate perspective) and AltaLink Ontario estimated approximately $200,000 for the costs for the balance of the designation proceeding. In response to AltaLink IR#7, AltaLink clarified that it spent $1.6 million to prepare its Application, and confirmed again that it would not seek recovery for that amount.	
22.	C. Other Factors pg. 40, lines 15-18.	"Other applicants (UCT, ALT, and RES) have raised the notion of alternate rate structures; however, their proposals raise further questions and uncertainties about the review/settlement processes and/or specifics."	The Board invited Applicants in its Phase 1 Decision and Order to describe any proposals they have regarding the recovery of the various categories of costs from ratepayers, with particular emphasis on proposals that reduce costs or risks for ratepayers. AltaLink Ontario took this invitation seriously and indicated that it is not seeking recovery of the costs of preparing its application for the designation process, reflecting an immediate and direct benefit to Ontario ratepayers of $1.6 million. In addition, AltaLink Ontario proposed an innovative tariff approach for both development and construction costs which would allow for further reductions of ratepayer risk. Finally, AltaLink indicated it was open to a levelized tariff structure to address intergenerational fairness issues. In each case however, AltaLink Ontario indicated that it will accept the Board's traditional cost of service model, but makes these proposals as an alternative that the Board might select if the Board finds that they reduce costs or risks for ratepayers. AltaLink Ontario explained that it could negotiate a target price or lumped sum fixed price with the ratepayer groups and other parties that intervene in the leave-to-construct proceeding pursuant to the Board's typical settlement conference guidelines. As with other settlement agreements, it would be subject to Board review and approval. Even if the Board does not adopt any of AltaLink Ontario's alternative tariff approaches, the Board will have benefited from AltaLink Ontario's "out of the box" thinking aimed at reducing ratepayer costs, risks and reducing intergenerational unfairness.	Phase 1 Decision and Order dated July 12, 2012 (EB-2011-0140), Page 5. AltaLink Ontario Application, Part B, Sections 6.5.2, 8.1, 8.6, 8.11. AltaLink Ontario Responses to AltaLink IR #7 and AltaLink IR #9.

Appendix "B" - Reply to the AIC of ELP

REPLY TO ASSERTIONS CONTAINED IN ARGUMENT-IN-CHIEF ("AIC") OF EWT LP ("ELP")

No.	AIC Citation	Assertion	AltaLink Ontario Reply	Relevant Evidence
1.	I. Introduction pg. 9, lines 19-25.	"In an effort to distinguish themselves some applicants, like AltaLink Ontario, L.P. and Upper Canada Transmission, Inc., have adopted aggressive schedules. However, in so doing, they have ignored relevant and material risks and made unrealistic assumptions without any corollary mitigation plans should these assumptions prove non-viable. Because schedule and costs are interrelated, ignoring relevant and material risks will likely lead to delays and costs escalations."	AltaLink Ontario has not adopted an "aggressive schedule" as alleged by ELP. Both AltaLink Ontario and ELP have proposed an in-service date of November 2018. Differences in the particular components of the schedules as between applicants should be expected. AltaLink Ontario brings a new set of capabilities and core competencies to Ontario, which differs from those of ELP. Unlike ELP, AltaLink Ontario completed significant pre-development work by preparing and filing as part of its Application a draft EA Terms of Reference ("ToR"), a draft EA Scope of Work, and a draft Route Selection and Optimization Study. This work will allow AltaLink Ontario to hit the ground running immediately following designation to commence public consultations. No other Applicant has done this pre-development work, meaning that they are simply unable to match AltaLink Ontario's development schedule because they must now complete all of this pre-development work after the designation decision (See, for example, AltaLink Ontario's reply to No. 34 below). AltaLink Ontario's pre-development work is to the benefit of Ontario ratepayers, because AltaLink Ontario is not seeking recovery of the $1.6 million for work to prepare its Application completed prior to January 4, 2013. Notwithstanding the considerable pre-development work that has already been completed, AltaLink has built considerable flexibility into its proposed project schedule. This flexibility means that AltaLink Ontario can accommodate delays of up to 4 months in the applied for EA schedule without any cost or schedule risk. In addition, AltaLink Ontario's EA schedule can be extended with no risk by an additional 8 months because of flexibility built into AltaLink Ontario's 3-year construction schedule (compared to ELP's 2-year construction schedule). Specifically, AltaLink Ontario would achieve the 4 month savings by altering its construction schedule and utilizing the 3-month period currently allocated between LTC and commencement of construction to start preliminary construction work (such as site clearing) without increasing overall costs. In addition, AltaLink Ontario's applied for construction period can be reduced by 8 months by increasing the number of crews from 2 to 3 without increasing overall costs. ELP does not have similar flexibility in its construction schedule, which already assumes 3 crews working in parallel.	ELP Application, Part B, Exhibit 7, Page 3, lines 15-21. AltaLink Ontario Application, Part B, Section 7.3.4, and Part C, Appendix 13, Appendix 14 and Appendix 15 and Appendix 16.
2.	I. Introduction	"Some, like RES, require financial inducement to manage	AltaLink Ontario is not proposing to sole source any contracts	AltaLink Ontario Argument-in-

	pg. 9, lines 27-30.	costs or to operate efficiently, while others, like Iccon Transmission, Inc. and TransCanada Power Transmission (Ontario) LP and AOLP, require sole source contracts (without competitive pricing)."	without competitive pricing. In its AIC, AltaLink Ontario indicated that it does not seek any exemptions from the terms in the standard transmission licence. Once designated, AltaLink Ontario is responsible for complying with all regulatory requirements as soon as those requirements become applicable, including the *Affiliate Relationship Code* ("ARC"). ARC does not prohibit affiliate contracts. Rather, it includes various restrictions on utilities contracting with affiliates including very detailed transfer pricing restrictions. Where a market for services exists, this includes holding a fair and open competitive bidding process or using other satisfactory benchmarks to establish a market price. AltaLink Ontario will report on its ARC compliance in accordance with the Board's standard recordkeeping and reporting requirements. In addition, AltaLink Ontario will be required to demonstrate the prudence of its costs as part of a subsequent leave-to-construct proceeding. ELP, by contrast, can contract with HONI and GLPT without complying with the transfer pricing restrictions in ARC, exposing ratepayers to an increased risk of inappropriate cross-subsidies occurring.	Chief, para. 5. *Affiliate Relationships Code for Electricity Distributors and Transmitters* (Revised March 15, 2010), Section 2.3 (Transfer Pricing). AltaLink Ontario Application, Part B, Section 4.4.6.
3.	II. EWT LP's Development Plan pg. 11, lines 2-10	"[…] EWT LP's development plan demonstrates, more than that of any other applicant: • a detailed and reliable project schedule and reasonable costs to help ensure the Project is built on-time and on-budget; • an innovative and feasible suite of technical design alternatives that will ensure the most cost-effective project is ultimately built; and • comprehensive Aboriginal and public consultation plans, and a land acquisition strategy, that will ensure EWT LP achieves the social license necessary to develop, construct and operate the Project."	• ELP's proposal to develop the East-West Tie Line will cost Ontario ratepayers approximately $5.5 million, or 30% more, than AltaLink Ontario proposes for the same scope of work. • ELP's "innovative and feasible" technical design alternatives includes a proposed a single circuit option that is contrary to the recommendations and judgement of both the OPA and IESO, provides an inherently lower level of security and reliability than afforded the double-circuit option, and is simply not comparable to the reference option because of the necessity of costly, but as of yet unquantified, control actions. • ELP has adopted a divisive approach to First Nations and Métis participation that excludes numerous affected First Nation and Métis communities, and will seriously inhibit ELP's ability to secure a satisfactory accommodation arrangement with all relevant First Nation and Métis stakeholders. By contrast, AltaLink Ontario's development plan includes a detailed and reliable project schedule and reasonable costs to ensure the Project is built on-time and on-budget, an innovative and feasible suite of technical design options to maximize cost-effectiveness of the project, and the most comprehensive and inclusive First Nation and Métis participation and consultation plan and broader public consultation and land acquisition	ELP Response to General Interrogatory #24. OPA Phase 2 Submissions dated May 9, 2013 at page 1, line 27 to page 2, line 20. IESO Phase 2 Submissions dated May 9, 2013 at pages 2-3. ELP Response to General Interrogatory #6. AltaLink Ontario Application, Part B, Sections 3, 6, 7, 8, 9 and 10.

			strategy.	
4.	II. A. Relevant Experience and Knowledge pg. 12, lines 10-13	"The challenges that arise during project development will depend on the local geographical, social and regulatory environment. Experience and knowledge in developing transmission projects, generally, or in other jurisdictions is not necessarily relevant to developing the Project."	Contrary to the Board's determination in its Phase 1 Decision and Order, ELP is asking the Board to favour its Ontario experience over experience gained by other applicants in other jurisdictions. AltaLink Ontario submits that such an approach is not appropriate as it bestows an unfair advantage upon incumbent utilities at the expense of new entrants. AltaLink Ontario has demonstrated in its application that it is fully capable of developing, constructing and operating the East-West Tie Line to meet the needs of the OPA and the IESO, based on its affiliate's experience in Alberta and SNC-Lavalin's global and Ontario specific experience.	Phase 1 Decision and Order dated July 12, 2012 (EB-2011-0140), Page 6. AltaLink Ontario Application, Part A, Section 3 and Part B, Sections 2.3, 2.4, 4, 5, and 10.2.
5.	INTENTIONALLY DELETED.			
6.	INTENTIONALLY DELETED.			
7.	II. A. Relevant Experience and Knowledge pg. 14, lines 9-12.	"Unlike other applicants that are not willing to share governance control with potential Aboriginal partners, the Participating First Nations, through BLP, will have a real and demonstrable opportunity to shape the Project development work and optimize EWT LP's environmental assessment, consultation and routing processes based on their local expertise."	AltaLink Ontario's proposal for First Nation and Métis participation does not, in any way, limit the meaningful opportunities for First Nation and Métis communities to participate in and shape the project development work and optimize the environmental assessment, consultation and routing processes based on local expertise. An integral component of AltaLink Ontario's proposal is its Traditional Ecological Knowledge and Land Use Study Plans. In addition, as noted in response to AltaLink IR#1, AltaLink's experience with the Piikani and Blood First Nations demonstrates success with agreements that establish an effective ongoing working relationship in a spirit of mutual respect for the goals and aspirations of each party; provide mechanisms through which effective communications, consultation and cooperation can take place; and provide opportunities for enhancing the First Nation business community by creating opportunities to provide commercial services to the project.	AltaLink Ontario Application, Part B, Section 10.1, Pages B-132 to B-B142. AltaLink Ontario Response to AltaLink IR #1.
8.	II. A. Relevant Experience and Knowledge pg. 14, lines 15-16	"No other applicant has demonstrated the positive relationships that EWT LP through its partners has with Aboriginal communities."	AltaLink Ontario has initiated contact with all 18 First Nation and Métis communities identified in the Minister's May 31, 2011 letter and has held meetings with 12 of these communities. This engagement was extremely helpful in understanding the diversity of perspectives, expectations and interests among the identified communities, and demonstrates a positive working relationships with each of these First Nation and Métis communities. AltaLink Ontario's approach to First Nation and Métis participation and consultation is entirely consistent with the Métis Nations of Ontario's submissions on what constitutes a positive approach.	AltaLink Ontario Response to General IR #11 and AltaLink IR #3. Métis Nation of Ontario, Phase II Written Submissions dated May 9, 2013.
9.	II. A. Relevant Experience and Knowledge pg. 15, lines 16-18	"EWT LP, through its partners, has extensive knowledge about the geophysical and environmental conditions of the Project area along the northern shores of Lake Superior. This knowledge distinguishes EWT LP from other	The Board indicated in its Phase 1 Decision and Order that it will not necessarily favour experience in Ontario over experience in other jurisdictions. However, this is what ELP is suggesting the Board should do.	Phase 1 Decision and Order dated July 12, 2012 (EB-2011-0140), Page 6.

		applicants."	AltaLink Ontario has studied the entire length of the proposed line and collected terrain data which was used in the siting stage to determine a suitable and cost effective line route. In addition, AltaLink Ontario's engineering team is experienced in designing structures and transmission lines in varying climates throughout Canada. In addition, AltaLink Ontario has provided detailed evidence of its experience in Alberta (through AltaLink, L.P.) as well as in Ontario and other jurisdictions (through SNC-Lavalin) to demonstrate its experience relevant to the East-West Tie Line project.	AltaLink Ontario Application, Part B, Section 4.5, para. 169 and 170. AltaLink Ontario Application, Part A, Section 3 and Part B, Section 4.
10.	II. A. Relevant Experience and Knowledge pg. 17, lines 1-8	"Through years of right of way and facility maintenance, GLPTLP has also gained extensive experience in the materials and equipment that best withstand the climate, and the engineering and design requirements dictated by the geography. This enables EWT LP – unlike RES, for example – to understand why a steel H-frame is a problematic and expensive tower design given the bedrock in the area, and therefore to propose more feasible technical designs. It also enables EWT LP – unlike AOLP, for example – to understand the seasonal challenges of completing the fieldwork necessary for an environmental assessment and to develop a schedule that does not ignore these risks."	AltaLink Ontario has not ignored any seasonal challenges associated with the fieldwork necessary for environmental assessments, nor does AltaLink Ontario's EA schedule ignore any such risks. SNC-Lavalin has recent and direct experience completing environmental assessments for transmission lines in Northern Ontario for Goldcorp's Red Lake Gold Mine (2011), Goldcorp's Musselwhite Gold Mine (2010), De Beer's Victor Diamond Mine (2005) among numerous other relevant projects (see Table 4.3-2 of the AltaLink Ontario Application). AltaLink Ontario is drawing on SNC-Lavalin's comprehensive expertise, including this directly relevant experience, and has proposed an EA schedule that addresses the risks associated with working in Northern Ontario. Based on its experience, SNC-Lavalin has proposed the generally accepted practice of initiating seasonal field studies prior to approval of the Terms of Reference. The risk of completing a potentially irrelevant field study is greatly outweighed by the schedule savings of initiating such seasonally dependent field work prior to the final ToR.	AltaLink Ontario Application, Part B, Section 4.3 and Table 4.3-2, and Part C, Appendix 14.
11.	II. A. Relevant Experience and Knowledge pg. 17, lines 17-18 and 22-24.	"EWT LP's experience with Ontario's regulatory regime governing transmission project development is superior to that of other applicants. […] In fact, through HONI's experience with the Bruce-to-Milton project, EWT LP is the only applicant with relevant experience completing an individual environmental assessment for a transmission project in Ontario."	ELP's assertion is simply incorrect. SNC-Lavalin has recent and direct experience completing environmental assessments for transmission lines in Northern Ontario for Goldcorp's Red Lake Gold Mine (2011), Goldcorp's Musselwhite Gold Mine (2010), De Beer's Victor Diamond Mine (2005) among numerous other relevant projects (see Table 4.3-2 of the AltaLink Ontario Application).	AltaLink Ontario Application, Part B, Section 4.3 and Table 4.3-2.
12.	INTENTIONALLY DELETED.			
13.	INTENTIONALLY DELETED.			
14.	II. B. Schedule and Cost pg. 23, lines 5-8 and 16-18.	"Transmitters like UCT and AOLP cannot reasonably expect to receive the MOE's approval for a proposed ToR without first considering a range of Project alternatives and performing adequate consultation. Because they have not considered these aspects, their development schedules are unreliable […]. […] AOLP's schedule expects the MOE to	AltaLink Ontario's schedule for ToR preparation and approval respects the 12 week government review period (Please see AltaLink Ontario's reply to No. 37 below). ELP appears to overlook the fact that AltaLink Ontario did considerable work in advance of filing its designation	AltaLink Ontario Application, Part C, Appendix 16, EA 102 to EA 106. AltaLink Ontario Application, Part B, Section 9.2 and Part C, Appendix 13, Appendix 14 and Appendix 15.

		review and approve its ToR within as little as one month of submission, which […] makes its schedule and costs estimates highly uncertain."	application to prepare and file with the Board draft Terms of Reference for an EA (Appendix 13) as well as a Draft EA Scope of Work (Appendix 14) and a draft Route Selection and Optimization Study (Appendix 15) These documents will serve as a starting point framework for consultations, allowing AltaLink Ontario to hit the ground running on its consultation efforts promptly after designation. No other applicant completed this pre-development work to advance their environmental approvals timeline in the same way that AltaLink Ontario did. AltaLink Ontario views its proposed schedule and costs as reasonable and fully supported by its Application (see the AltaLink Ontario Reply at No. 1 above), and AltaLink Ontario is committed to being held to its proposed development schedule and budget if designated by the Board (Argument-in-Chief, para. 7, 10 and 11).	AltaLink Ontario Response to AltaLink IR #2.
15.	II. B. Schedule and Cost pg. 25, lines 5-10.	"Applicants such as UCT and AOLP […] propose accelerated development schedules that make questionable assumptions about the EA process. For example, AOLP has scheduled submittal of its ToR within approximately 2-4 months of designation, despite the fact that according to the MOE Code of Practice for Preparing and Reviewing ToR for EAs in Ontario (the "Code"), preparing the ToR requires on average 6-9 months."	AltaLink Ontario took advantage of the 6 month period afforded by the Board to prepare a designation application to also complete and file with the Board draft Terms of Reference for an EA (Appendix 13) as well as a Draft EA Scope of Work (Appendix 14) and a draft Route Selection and Optimization Study (Appendix 15). These documents will serve as a starting point framework for consultations, allowing AltaLink Ontario to hit the ground running on its consultation efforts promptly after designation, while ELP will waste several months and ratepayer money preparing its draft documents after designation.	AltaLink Ontario Application, Part B, Section 9.2 and Part C, Appendix 13, Appendix 14, and Appendix 15. AltaLink Ontario Response to AltaLink IR #2.
16.	II. B. Schedule and Cost pg. 27, lines 12-24.	"EWT LP has provided a development schedule range within which the Board can be confident that risks will be managed. In contrast, other competitors have not broken down their Project schedules in such detail and have not reflected the impact certain risks may have to their schedules. For example, AOLP has provided the Board with their best-case development scenario, without giving the Board an indication of how the materialization of certain risks, such as delayed designation or a delay in ToR approval, would impact its schedule. As discussed further in Section III-C below, AOLP has made unduly risky assumptions regarding: (i) its ability to submit its ToR very quickly post-designation, without any significant opportunity for the consultation and technical work necessary to develop a focused ToR; (ii) the timeline within which the MOE will approve the ToR; (iii) the timing of certain seasonal studies that must be completed for the EA; and (iv) the timeline for submitting the EA report for the MOE's approval. AOLP's schedule can only get longer - resulting in higher costs - than that which was	AltaLink Ontario is drawing on SNC-Lavalin's comprehensive EA expertise, including directly relevant experience in Northern Ontario, and has proposed an EA schedule that addresses the risks associated with working in Northern Ontario. Notably: 1. The AltaLink Ontario development schedule will be based on the actual date of designation, not April 30, 2013. Appendix 16 includes both task dependencies and durations which AltaLink Ontario will be held to based on the actual date of designation. 2. AltaLink Ontario's ToR preparation and approval respects the 12 week government review period (Please see AltaLink Ontario's reply to No. 37 below). The reduced time period to prepare and submit the ToR is based on significant amount of work already completed by AltaLink Ontario prior to its designation application (Please see AltaLink Ontario's reply to No. 1 above). 3. AltaLink Ontario's EA schedule is based on the generally accepted practice of initiating the seasonal field studies	AltaLink Ontario Application, Part B, Section 4.3 and Part C, Appendix 13 at page 2, Appendix 14, pgs. 56-74 and Appendix 16.

		presented in its designation application."	prior to approval of the ToR (See Appendix 14, Table 7). 4. AltaLink Ontario's EA approval schedule respects the regulatory review and approvals time requirements for the Ontario EA process as prescribed in Ontario Regulation 616/98 (See Appendix 14, pgs. 72-74 and Table 7). 5. AltaLink Ontario's EA schedule can be extended with low or no risk by an additional 12 months (Please see AltaLink Ontario's reply to No. 1 above).	
17.	II. B. Schedule and Cost pg. 28, lines 11-14.	"[…] EWT LP has also distinguished itself from other designation applicants in the degree to which its development plan considers and develops mitigation measures for potential risks to the project schedule, thereby reducing the risk that unforeseen contingencies will run the Project over budget or extend its schedule."	AltaLink Ontario has completed a number of critical pre-development activities in order to reduce the uncertainties in the proposed schedule and cost estimates for development and construction in the East-West Tie Line. AltaLink Ontario distinguishes itself from other designation applicants by not only identifying major risks to the development schedule and specifying a high-level strategy to mitigate and address each of those risks in Table 7.2-1 of its Application, but AltaLink Ontario went step further to by providing a detailed approach to managing each of the potential development risks in detailed draft EA Terms of Reference (Appendix 13) and a draft EA Scope of Work (Appendix 14).	AltaLink Ontario Application, Part A, Section 4, Part B, Section 7.2.4, and Part C, Appendix 13 and Appendix 14.
18.	II. B. Schedule and Cost pg. 29, lines 4-6.	"[…] RES, UCT and AOLP failed to identify a change in their assumed designation date as a potential Project risk and failed to mitigate against this risk or indicate how it may affect their development schedules."	To suggest that AltaLink Ontario failed to identify this particular risk is misleading. AltaLink Ontario identified delayed regulatory approvals as a development risk in Table 7.2-1. Each applicant assumed a designation date for the purposes of their applied for project schedule. The AltaLink Ontario bid schedule included in Appendix 16 assumed a designation decision on April 30, 2013, but also included detailed description of task dependencies. AltaLink Ontario understands that its project schedule will be extended based on the actual date of designation (as noted by Board Staff at pg. 5 of its Phase 2 Submissions).	AltaLink Ontario Application, Part B, Section 7.2.4, and Part C, Appendix 16.
19.	II. B. Schedule and Cost pg. 29, line 19.	"[…] AOLP did not identify this risk regarding Crown land permits."	AltaLink Ontario identified the necessity of Crown land permits in both its draft ToR and its draft EA Scope of Work. AltaLink Ontario also identified Crown land agreements as a key issue for land acquisition or permitting, and AltaLink Ontario identified a plan to address that risk at Section 9.1.3 of its Application. Finally, AltaLink L.P. has recently obtained permits and licences on four projects, consisting predominantly of Crown land, near environmentally significant areas with multi-industry development, often of a contentious nature. To suggest AltaLink Ontario did not identify this risk is misleading.	AltaLink Ontario Application, Part A, Section 3.5, para. 50, Part B, Section 9.1.3, and Part C, Appendix 13, page 12 and Appendix 14, Page 14.

20.	II. B. Schedule and Cost pg. 30, lines 4-5.	"The failure of other applicants to identify specific key schedule risks indicates a willingness to assume, and pass on to ratepayers, greater risk and exposure to delays and cost overruns."	AltaLink Ontario did not fail to identify any specific schedule risks in its application. To suggest otherwise is misleading. In Table 7.2-1 AltaLink Ontario identifies each major development risk and its risk management approach at a high level, and throughout the balance of its Application AltaLink Ontario identifies in detail for each and every step of the project development process its plan on how it intends to manage the processes including each major development risk. For example, AltaLink Ontario put considerable detail behind the delayed regulatory approvals development risk by filing with the Board its draft ToR and its draft EA Scope of Work, which set out in considerable detail the environmental approvals required and AltaLink Ontario's plan to obtain those approvals.	AltaLink Ontario Application, Part B, Section 7.2.4.
21.	II. B. Schedule and Cost pg. 32, lines 12-14.	"EWT LP is also the only transmitter to have provided a detailed description of how construction costs were derived, including volumes and unit prices."	ELP's construction cost information is, at this point in time, of limited value and should be weighed accordingly. None of the applicants, ELP included, have completed the necessary development work to provide a detailed evidentiary backing for their construction forecasts. To suggest otherwise is misleading. Further, ELP's construction costs are not binding – rather these issues will be re-assessed in detail by the Board as part of a subsequent leave to construct or rate proceeding. ELP can trumpet the accuracy of their costs without ever having to worry about being held to them.	The ELP Application and AIC highlights the detailed design work that must still be completed, all of which will directly impact its construction cost estimates.
22.	II. B. Schedule and Cost pg. 33, lines 8-17.	"Unlike AOLP or I/TC, EWT LP has not proposed to sole-source its construction of the Project from related parties. AOLP proposes to subcontract engineering, procurement and construction ("EPC") work to its affiliate, SNC Lavalin,65 and I/TC intends to enter into a fixed fee EPC contract with Iccon's affiliate, Isolux, which will explicitly not be at cost on a transparent basis or without mark-ups for profit. These applicants provide no justification as to how such arrangements would be most cost-effective for ratepayers or explain how they would be compliant with the Board's Affiliate Relationship Code for Electricity Distributors and Transmitters (the "ARC"). EWT LP believes that ratepayers will benefit from competitive procurement."	ELP's submissions are misleading. Pursuant to Section 4.4.6 of AltaLink Ontario's application, SNC-Lavalin's role will be to manage the construction process. SNC-Lavalin itself will subcontract the vast majority of the actual EPC work through a competitive bidding process. The evidence of these competitive tenders will be included in AltaLink Ontario's overall evidence of compliance with ARC. Please see AltaLink Ontario's reply to No. 2 above in respect of its relationship with SNC-Lavalin.	AltaLink Ontario Application, Part B, Section 4.4.6. AltaLink Ontario Argument-in-Chief, para. 5. *Affiliate Relationships Code for Electricity Distributors and Transmitters* (Revised March 15, 2010), Section 2.3 (Transfer Pricing).

23.	II. B. Schedule and Cost pg. 33, lines 18-22.	"[U]nlike AOLP and RES, EWT LP has not found it necessary to include a bonus scheme for achieving cost savings and avoiding cost over-runs, which ratepayers expect Ontario transmitters to achieve as part of their regulatory obligations. The traditional cost of service model obliges Ontario transmitters to ensure that their capital and operating expenditures are prudent and reasonable."	The Board invited Applicants in its Phase 1 Decision and Order to describe any proposals they have regarding the recovery of the various categories of costs from ratepayers, with particular emphasis on proposals that reduce costs or risks for ratepayers. AltaLink Ontario took this invitation seriously and indicated that it is not seeking recovery of the costs of preparing its application for the designation process, reflecting an immediate and direct benefit to Ontario ratepayers of $1.6 million. In addition, AltaLink Ontario proposed an innovative tariff approach for both development and construction costs which would allow for further reductions of ratepayer risk. Finally, AltaLink indicated it was open to a levelized tariff structure to address intergenerational fairness issues. In each case however, AltaLink Ontario indicated that it will accept the Board's traditional cost of service model, but makes these proposals as an alternative that the Board might select if the Board finds that they reduce costs or risks for ratepayers. Even if the Board does not adopt any of AltaLink Ontario's alternative tariff approaches, the Board will have benefited from AltaLink Ontario's "out of the box" thinking aimed at reducing ratepayer costs, risks and reducing intergenerational unfairness.	Phase 1 Decision and Order dated July 12, 2012 (EB-2011-0140), Page 5. AltaLink Ontario Application, Part B, Sections 6.5.2, 8.1, 8.6, 8.11. AltaLink Ontario Responses to AltaLink IR #7 and AltaLink IR #9.
24.	II. B. Schedule and Cost pg. 34, lines 5-10.	"Unlike any other applicant, EWT LP through its partners has extensive experience in operating and maintaining transmission lines in the Project area and prepared its estimates using the cost categories given in the Board's Accounting Procedures Handbook. As a result, EWT LP's O&M estimate is reasonable. Certain applicants like AOLP, RES and CNP allocate either no or almost no budget for regulatory costs, an unusual omission for a public utility that will be before the Board in regulatory matters."	AltaLink Ontario's operating and maintenance ("O&M") estimates complies with Section 8.12 of the Board's Filing Requirements, which did not mandate use of the cost categories in the Board's Accounting Procedures Handbook. AltaLink Ontario offers a superior O&M record, demonstrating leadership in safety, cost-efficiency and reliability performance among CEA reporting members. The Board should not favour ELP's Ontario O&M experience over the relevant experience gained by other applicants in other jurisdictions (See No. 4 above). AltaLink Ontario also has seasoned transmission regulatory expertise with the Alberta Utilities Commission. AltaLink Ontario did not fail to budget regulatory costs. Rather, AltaLink Ontario indicated that it intends to enter into an affiliate contract for O&M functions including "administrative functions such as regulatory applications and administration, accounts payable/receivable, human resource administration, payroll, taxes, facilities and information technology." Under this approach, regulatory costs were included as part of the overall administrative costs component of AltaLink Ontario's O&M budget. All affiliate relationships will be ARC compliant (See No. 2 above).	Appendix A to the Phase 1 Decision and Order dated July 12, 2012 (EB-2011-0140), Page 12, Section 8.12. AltaLink Ontario Application, Part A, Section 3.14. AltaLink Ontario Application, Part A, Sections 3.3 and Part B, Section 2.1.2, Para. 19 and Section 8.12, Paras. 310-312. AltaLink Ontario Response to General IR #26.

25.	II. C. Technical Design pg. 37, lines 21-23.	"[O]f all the applicants, only EWT LP has proposed a range of technically credible design options that can be brought into the development phase to determine which one will provide better value for ratepayers."	ELP's range of "technically credible design options" includes a proposed single circuit option that is contrary to the recommendations and judgement of both the OPA and IESO, provides an inherently lower level of security and reliability than afforded the double-circuit option, and is simply not comparable to the reference option because of the necessity of costly, but as of yet unquantified, control actions.	OPA Phase 2 Submissions dated May 9, 2013 at page 1, line 27 to page 2, line 20. IESO Phase 2 Submissions dated May 9, 2013 at pages 2-3.
26.	II. C. Technical Design pg. 38, lines 15-18.	"No other applicant is as prepared to test the key assumptions underlying the Reference-Based Design and undertake the studies necessary to evaluate a range of credible alternatives to see which can be adopted at a lower cost."	ELP appears to have confused its proper role with that of the designated system planner for the Province of Ontario and the independent system operator in Ontario, both of which recommend against pursuing a single-circuit option because of its inherently lower level of security and reliability than afforded by a double-circuit line. ELP's adversarial approach to the OPA and the IESO in respect of this issue is a key risk factor raised by their application that has the potential of delaying and increasing the costs of the ELP plan.	OPA Phase 2 Submissions dated May 9, 2013 at page 1, line 27 to page 2, line 20. IESO Phase 2 Submissions dated May 9, 2013 at pages 2-3.
27.	II. C. Technical Design pg. 38, lines 19-22.	"EWT LP's preliminary estimates suggest a potential savings of $116 million, relative to the Reference-Based Design, by pursuing a single circuit CRS design. No other applicant's technical design alternatives offer that degree of cost savings."	ELP's savings estimate for its proposed single-circuit design is deliberately misleading as it does not include the necessity of costly, but as of yet unquantified, control actions. ELP itself estimated the NPV of such control actions as $104 million. AltaLink Ontario believes this estimate is low because it does not account for the additional costs associated with the IESO holding additional operating reserves on standby on an hourly basis (which is required according to the IESO's submissions). In addition, the estimate assumes there will be 25% fewer outages per year than on the existing line without providing any evidence to support such an assumption.	AltaLink Ontario Argument-in-Chief, para. 56. OPA Phase 2 Submissions dated May 9, 2013 at page 1, line 27 to page 2, line 20. IESO Phase 2 Submissions dated May 9, 2013 at pages 2-3. ELP Response to ELP IR#5.
28.	II. C. Technical Design pg. 38, lines 22-24.	"And no other applicant is as well prepared as EWT LP to assess its design alternatives in the development phase to determine the most technically appropriate design for the Project and the most cost-effective design for ratepayers."	See No. 26 above.	
29.	II. D. Consultation and Land Acquisition pg. 40, lines 5-6.	"EWT LP's 32-page Aboriginal and community consultation plan is the most robust, comprehensive and detailed of any applicant."	AltaLink Ontario's draft EA Terms of Reference (66 pages), draft EA Scope of Work (90 pages), Aboriginal Community Consultation Plan (6 pages) and its Traditional Ecological Knowledge and Land Use Study Plans (11 pages) provides a more robust, comprehensive and detailed description of AltaLink Ontario's consultation plan than ELP suggests in this misleading assertion. By contrast, ELP has failed to identify how its consultation plan addresses the serious concerns raised in the submissions of the Métis Nation of Ontario, AltaLink Ontario and the other registered transmitters.	AltaLink Ontario Application, Part B, Sections 9 and 10, and Part C, Appendix 13 and Appendix 14. Métis Nation of Ontario Submissions dated May 9, 2013, pages 18-24 and Appendix B. AltaLink Ontario Argument-in-Chief dated April 18, 2013, paras. 100-102.

30.	II. D. Consultation and Land Acquisition pg. 41, lines 4-8.	"EWT LP is not taking the "design first, consult later" approach favoured by some proponents. Proponents such as AOLP and UCT, that intend to approach stakeholders with a ready-made plan for Project development, will likely not be offering meaningful opportunities to receive and integrate public feedback and, as a result, risk encountering delays and cost impacts due to public opposition."	This misleading assertion ignores AltaLink Ontario's clear commitment to meaningful stakeholder consultations included in its Application, draft EA Terms of Reference and draft EA Scope of Work, which includes the provision for feedback on routing and design. In a 2012 independent survey of 1,040 landowners, occupants and renters, over 87% of respondents ranked their consultation experience with AltaLink as satisfactory to very positive. AltaLink Ontario brings to Ontario the same commitment to meaningful opportunities to consult with and integrate feedback from stakeholders in general and from First Nation and Métis communities in particular.	AltaLink Ontario Application, Part A, Sections 3.4, Part B, Sections 9 and 10, and Part C, Appendix 13, Sections 6.1.1 and 8 and Appendix 14, Section 5.2.6.
31.	II. D. Consultation and Land Acquisition pg. 42, lines 12-14.	"In the segment between Thunder Bay to Nipigon, EWT LP has identified potential benefits in rationalizing some of the existing transmission infrastructure and using an existing ROW corridor for the new line, which have not been identified by any other applicant."	ELP failed in its interrogatory responses to identify that it has proposed an option of decommissioning an existing 115kV HONI transmission line between Nipigon and Thunder Bay so that it may commandeer HONI's existing right of way for ELP's use. HONI, which is a party in this proceeding, has not at any time indicated on the record that it would allow a proponent to decommission a portion of its system. In addition, to the extent this option differs from the Reference Option, ELP has again failed to file an IESO Feasibility Study of its proposed design alternative.	ELP Response to General IR #19. ELP Application, Exhibit 9, pgs. 20-24.
32.	INTENTIONALLY DELETED.			
33.	III. C. AOLP pg. 85, lines 17-18.	"AOLP has proposed a development schedule that will be difficult to achieve."	Both AltaLink Ontario and ELP have proposed an in-service date of November 2018. Differences in the particular components of the schedules as between applicants should be expected. AltaLink Ontario brings a new set of capabilities and core competencies to Ontario, which differs from those of ELP. While AltaLink Ontario plans to take less time than ELP for some tasks, for other tasks AltaLink Ontario has allowed for more time than ELP. These differences are accounted for by different capabilities.	ELP Application, Part B, Exhibit 7, Page 3, lines 15-21. AltaLink Ontario Application, Part B, Section 7.3.4.
34.	III. C. AOLP pg. 85, lines 18-23 and pg. 86, lines 1-2.	"In particular, AOLP's development schedule contains a number of challenges: • Both AOLP and UCT have proposed schedules that are noticeably shorter than those proposed by other transmitters, and that are also significantly shorter than the Ministry's guidance. AOLP plans to formally submit its ToR to the MOE as early as July 2, 2013. Assuming designation on April 30, this would allow two months for AOLP to complete the consultation required by the Environmental Assessment Act. AOLP did not provide a detailed plan showing how it would be able to complete consultation activities in this time."	See AltaLink Ontario's reply to No. 14 above. Contrary to ELP's misleading assertion, AltaLink Ontario provided a detailed plan on how it would complete its consultation activities in accordance with its proposed schedule at pages 61-74 of Appendix 14 of its Application. ELP scheduled just over 4 months to prepare and submit draft ToR (Appendix 7C, ID#125-129, WBS 2.12). The first 2 months of this drafting and preparation exercise is scheduled to occur prior to any consultations on the draft ToR (the prior consultation has a limited scope dealing with project purpose/rationale/alternative corridors). ELP itself proposed exactly 2 months and 11 days for consultations on their draft ToR prior to formal submission (Appendix 7C, ID #117-123, WBS 2.10).	AltaLink Ontario Application, Part C, Appendix 13, Appendix 14, pgs. 61-74, Appendix 15, and Appendix 16, EA101-104. ELP Application, Exhibit 07, Appendix 7C, ID #117-123 and 125-129, WBS 2.10 and WBS 2.12.

			By contrast, AltaLink Ontario has undertaken considerable advanced effort to prepare and file a draft ToR, a draft EA Scope of Work, and a draft Routing Optimization and Selection report as part of its Application. No other transmitter in this proceeding has completed such advanced work – which is why their proposed EA schedules look different. For example, as described above ELP has scheduled 2 months to prepare a draft ToR before commencing consultations on it. This is work which AltaLink Ontario has already completed by taking advantage of the time prior to filing its designation application to help differentiate its Application from those of its competitors. Consequently, AltaLink Ontario will be in a position to hit the ground running immediately following designation to commence public consultations on the draft ToR. And like ELP, AltaLink Ontario has allocated approximately 2 months to complete such public consultations prior to final submissions of the ToR.	
35.	III. C. AOLP pg. 86, lines 3-9.	• "There is an inconsistency within AOLP's application as to the timetable for submitting the ToR. In Appendix 16, AOLP states that the ToR will be submitted between July 2 and August 30, 2013. Yet AOLP's consultants, SNC Lavalin, state in their draft ToR that formal submission of the ToR will occur between August 2013 and October 2013. AOLP did not indicate which of these proposed schedules was correct. The two month difference between the two schedules is significant given AOLP's proposed 16 month overall development schedule."	The reference to August 2013 – October 2013 at page 17 of the SNC-Lavalin draft ToR appears to be made in error. We would refer the Board to Table 3 at page 20 of the same SNC-Lavalin draft ToR which indicates formal submission of ToR between July and August of 2013, which schedule is consistent with the SNC-Lavalin EA timeline at Table 7 of the draft EA Scope of Work, and schedule is consistent with AltaLink Ontario's proposed schedule at Appendix 16 to complete formal submission of the ToR between July 2 and August 30, 2013 (assuming a designation decision in April 2013). It is unclear why ELP did not raise this concern in the interrogatory process. Such an approach would have clarified the record earlier in the process to facilitate the public interest.	AltaLink Ontario Application, Part C, Appendix 13, pgs. 17 and 20 and Appendix 16.

36.	III. C. AOLP pg. 86, lines 10-18.	• "AOLP's schedule for preparing their ToR is also inconsistent with the Ministry Code of Practice. According to the Code of Practice, proponents typically require 6 - 9 months to complete the consultation and studies necessary to prepare and submit their ToR. Yet AOLP's plan would take as little as two months. Although the preparation of a draft ToR as part of their designation application will slightly accelerate the time line, the document is relatively generic at present and lacks any stakeholder input. It seems unlikely that AOLP's desktop ToR would accelerate the ToR process significantly given that the majority of the work in preparing the ToR – including meeting and consulting with stakeholders – can only be started after designation."	See AltaLink Ontario's reply to No. 14 above. Contrary to ELP's misleading assertion, AltaLink's draft ToR and the schedule provided in respect thereof were prepared in accordance with the Ministry's Code of Practice (See pg. 2 of Appendix 13). ELP's proposed project development schedule indicates that it would take ELP just over four months (from February 14, 2014 until June 25, 2014) for ELP to prepare draft ToR prior to submission (Appendix 7C, ID#125-129, WBS 2.12). This period includes approximately 2 months to draft and review the ToR and a 2 month ToR consultation period. By drafting and filing draft ToR with the Board as part of its designation Application, AltaLink Ontario will save at least 2 months on the approval process (See pg. 2 of Appendix 13). Like ELP, however, AltaLink has estimated a 2 month consultation period prior to formal submission of ToR.	AltaLink Ontario Application, Part C, Appendix 13, Appendix 14 and Appendix 16, No. EA100-106. ELP Application, Exhibit 07, Appendix 7C, ID # 125-129, WBS 2.12.
37.	III. C. AOLP pg. 86, lines 19-30 and pg. 87, lines 1-2.	• "AOLP has assumed that the Minister of the Environment will review and approve the ToR in as little as 42 working days. The regulations allow the Minister up to 12 weeks to complete the review, and also allow the Minister to extend the review time if necessary. EWT LP's experience, with input from its Ontario-based environmental consultants who have extensive experience permitting linear infrastructure in Ontario, is that the elapsed time for the approval of a ToR often exceeds 12 weeks. For example, the MOE required 8 months to review the ToR for Bruce to Milton, and the Board did not proceed with the oral phase of the Bruce to Milton leave to construct proceeding until the ToR were approved. AOLP also did not explain how completing the preparation of the ToR in as little as two months rather than the 6 – 9 months usually needed by proponents would enable the Minister to approve the ToR so quickly. Indeed, the early submission of the ToR, without significant time for meaningful consultation, would seem more likely to increase the time the Minister requires for proper public review, and also significantly increases the risk that the Minister rejects the ToR."	AltaLink Ontario's schedule for ToR preparation and approval respects the 12 week government review period. This is confirmed by SNC-Lavalin at pg. 2 of the draft ToR at Appendix 13. This can also be confirmed by reference to the schedule at Appendix 16 by noting the difference between July 2, 2013 (EA104 Formal submission of ToR) and September 30, 2013 (EA106 Ministry of Environment decision on ToR), which is 90 days, more than 12 weeks. Like ELP, AltaLink Ontario's schedule is based on input from Ontario-based environmental consultants who have extensive experience permitting linear infrastructure in Ontario. SNC-Lavalin has recent and direct experience completing environmental assessments for transmission lines in Northern Ontario for Goldcorp's Red Lake Gold Mine (2011), Goldcorp's Musselwhite Gold Mine (2010), De Beer's Victor Diamond Mine (2005) among numerous other relevant projects (see Table 4.3-2 of the AltaLink Ontario Application). Please see also AltaLink Ontario's reply to No. 1 above.	AltaLink Ontario Application, Part B, Table 4.3-2, Part C, Appendix 13 and Appendix 16, EA104 to EA106.

38.	III. C. AOLP pg. 87, lines 3-10.	• "AOLP is assuming the Minister will complete the review and approval of AOLP's ToR as early as September 30, 2013. Yet AOLP is proposing to complete environmental field studies by June 30, 2014. There is clearly a risk that the Minister could, when approving the ToR, identify additional studies for AOLP to complete or change the area of study either by enlarging it or including new areas. If the Minister identifies additional studies that can only be undertaken in, for example, August, then AOLP would need to amend its schedule to carry out the additional field studies in August 2014. This would extend and delay AOLP's Project schedule."	AltaLink Ontario is drawing on SNC-Lavalin's comprehensive expertise and has proposed an EA schedule that addresses the risks associated with working in Northern Ontario. Based on its experience, SNC-Lavalin has proposed the generally accepted practice of initiating seasonal field studies prior to approval of the Terms of Reference (Appendix 13, Table 3, Appendix 14, Table 7). In the event the Minister identifies additional studies that can only be undertaken in August, delays of up to 3 months in the approval of the ToR can be accommodated in AltaLink Ontario's applied for EA schedule without risk. Finally, AltaLink Ontario's construction schedule has a considerable amount of flexibility built in to accommodate unanticipated delays in the EA process. Specifically, AltaLink Ontario's EA schedule can be extended with low or no risk to 36 months. This additional 9 months can be accommodated in AltaLink Ontario's construction schedule with minimal risk by utilizing the 3-month period allocated between LTC and commencement of construction to start preliminary construction work (such as site clearing) and the construction period can be reduced by 6 months by increasing the number of crews from 2 to 3 (all without increasing overall costs).	AltaLink Ontario Application, Part C, Appendix 13, Table 3, Appendix 14, Table 7, and Appendix 16.
39.	III. C. AOLP pg. 87, lines 11-16.	• "AOLP plans to submit its completed environmental assessment for the Minister's review and approval by July 2, 2014. Yet AOLP's consultant SNC Lavalin proposes to file the same document in draft August 2014 and formally October 2014. The lack of consistency between AOLP's plan and those of its consultants, SNC Lavalin, undermines the credibility of AOLP's plan, its aggressive 16 month schedule and its development budget."	The reference to August 2014 – October 2014 at page 17 of the SNC-Lavalin draft ToR appears to be made in error. We would refer the Board to project timeline at Table 3 at page 20 of the same SNC-Lavalin draft ToR which indicates formal IEA submission in early July of 2014, which schedule is consistent with the SNC-Lavalin EA timeline at Table 7 of the draft EA Scope of Work, and with AltaLink Ontario's proposed schedule at Appendix 16 to complete formal EA submission by July 2, 2014 (assuming a designation decision in April 2013). It is unclear why ELP did not raise this concern in the interrogatory process. Such an approach would have clarified the record earlier in the process to facilitate the public interest.	AltaLink Ontario Application, Part C, Appendix 13, Table 3, Appendix 14, Table 7 and Appendix 16, EA100 to EA114.
40.	III. C. AOLP pg. 87, lines 17-24.	• "If AOLP submits its draft environmental assessment in July 2014, as per AOLP's plan, then it will have taken approximately 15 months from designation (assuming an April 30, 2013 designation). This is questionable. The MOE advises that it usually takes 21 to 36 months to prepare and file an environmental assessment."	The problem with ELP's assertion is that it assumes that all EA work must start after the date of Board's designation decision. By contrast, AltaLink Ontario's EA approval schedule is based on the considerable amount of work that it already completed in 2012 prior to filing its designation Application. AltaLink Ontario included in its Application both a draft ToR and a draft EA Scope of Work. AltaLink Ontario's intent was to complete all of the EA work it reasonably could prior to designation to all it to hit the ground running immediately upon designation to further advance the EA process. No other applicant has taken a similar, proactive approach to accelerating the development schedule for the benefit of Ontario ratepayers.	AltaLink Ontario Application, Part C, Appendix 13, Appendix 14, and Appendix 16.

41.	III. C. AOLP pg. 88, lines 2-5.	• "Both AOLP and UCT have proposed schedules that are not only noticeably shorter than those proposed by other transmitters but are also significantly shorter than the Ministry's guidance. AOLP has not provided an explanation to understand how it intends to reduce the time taken to complete a provincial environmental assessment by 50%."	Please see AltaLink Ontario's reply to Nos. 1, 10, 14, 15 and 16 above.	See evidence reference in Nos. 1, 10, 14, 15 and 16 above.

42.	III. C. AOLP pg. 88, lines 6-18.	• "AOLP's Gantt chart in Appendix 16 does not provide any explanation of how AOLP proposes to schedule the essential development work leading up to an application for leave to construct, including: o IESO system impact assessment; o HONI connection assessment and negotiation of an interconnection agreement; o Economic evaluation of alternatives; o Selection, evaluation and agreement of routing criteria; o Evaluation of routing alternatives, especially with Aboriginal communities and landowners; o The Crown land rights acquisition process; o The delegated aspects of the Crown's duty to consult; or o Discussions with land rights owners, especially with respect to the terms for the acquisition of land rights."	AltaLink Ontario did not break out every one of the Board's filing requirements for a Leave to Construct application into a separate Gantt chart task. Rather: • AltaLink Ontario committed to working closely with the IESO to ensure it fully complies with all applicable regulatory requirements (Part B, Section 4.4.11, para. 167), including the completion of a system impact assessment. • AltaLink Ontario indicated it will work closely with HONI to develop the necessary interconnection agreements and operating procedures to outline the responsibilities of each party (Part B, Section 2.1.2, para. 20). • The need for the East-West Tie Line, and the economic evaluation of alternatives, was completed on an initial basis by the OPA in its June 30, 2011 report. The OPA intends to file a comprehensive need update as evidence in the Leave to Construct proceeding (OPA Phase 2 Submissions at pg. 5, line 8). AltaLink Ontario committed to working closely with the OPA to ensure it fully complies with all applicable regulatory requirements (Part B, Section 4.4.11, para. 167), including preparing the evidence necessary for the Leave to Construct application. • AltaLink Ontario established initial criteria for route selection prior to filing its designation application. These criteria are specified at Section 3 of Appendix 15. • AltaLink Ontario completed a preliminary evaluation of routing alternatives prior to designation (Appendix 15). The activities in AltaLink Ontario's public consultation schedule (EA101 of Appendix 16) are detailed in Appendix 14, Section 5.2.6. These consultations include as a purpose and objective incorporating feedback received through consultations into decision making with respect to routing. • AltaLink Ontario addresses the Crown's duty to consult as part of its comprehensive Aboriginal Community Consultation Plan (Part B, Section 10.1.2), which activities are scheduled at EA124 of Appendix 15. • AltaLink Ontario identified Crown land permit acquisition as part of its EA Scope of Work (Appendix 14, pg. 14) and identified Crown land agreements as a potential land acquisition issue together with AltaLink Ontario's plan to manage that issue (Part B, Section 9.1.3 and Appendix 14). • For the reasons noted in reply to No. 47 below, AltaLink Ontario has included land acquisitions as part of its construction schedule and budget. To the extent there are land related consultations which occur during the development phase, AltaLink Ontario has included that within the scope of its consultation budget and schedule during the development phase.	AltaLink Ontario Application, Part B, Section 2.1.2, 4.4.11, 10.1.2, and Part C, Appendix 14, Appendix 15, and Appendix 16. OPA Phase 2 Submissions at pg. 5, line 8.

43.	III. C. AOLP pg. 89, lines 1-4.	• "AOLP's plan is to start development activities including public consultation, First Nation and Métis consultation and environmental field studies on April 1, 2013. This will not be possible because AOLP assumes the Board will not designate a transmitter until April 30, 2013."	AltaLink Ontario commenced initial First Nation and Métis consultations in 2012. AltaLink Ontario acknowledges that EA field studies and further First Nation and Métis consultations will not commence until immediately after designation. Each applicant assumed a designation date for the purposes of their applied for project schedule. The AltaLink Ontario bid schedule included in Appendix 16 assumed a designation decision on April 30, 2013, but also included detailed description of task dependencies and durations. Those dependencies and durations hold. AltaLink Ontario understands that its project schedule will be extended based on the actual date of designation (as noted by Board Staff at pg. 5 of its Phase 2 Submissions).	AltaLink Ontario Response to General IR #11 and AltaLink IR #3. AltaLink Ontario Application, Part C, Appendix 16.
44.	III. C. AOLP pg. 89, lines 5-9.	• "AOLP is planning to start environmental field studies -- which will require landowners and government agencies such as the Ministry of Natural Resources to grant permission to access their lands -- prior to starting consultation with land owners about the route of the line, or with stakeholders (including First Nations and Métis communities and government agencies) about either the route or proposed design of the line."	SNC-Lavalin has recent and direct experience completing environmental assessments for transmission lines in Northern Ontario for Goldcorp's Red Lake Gold Mine (2011), Goldcorp's Musselwhite Gold Mine (2010), De Beer's Victor Diamond Mine (2005) among numerous other relevant projects (see Table 4.3-2 of the AltaLink Ontario Application). Based on its experience, SNC-Lavalin has proposed the generally accepted practice of initiating seasonal field studies prior to approval of the Terms of Reference (See Appendix 14, Table 7). The risk of completing a potentially irrelevant field study is greatly outweighed by the schedule savings of initiating such seasonally dependent field work prior to the final ToR. Rather than delaying all of the relevant field work, exceptions can be managed on a case-by-case basis if and as they arise.	AltaLink Ontario Application, Part C, Appendix 14, Table 7.
45.	III. C. AOLP pg. 89, lines 10-16.	• "AOLP only identified seven high-level, relatively generic development and construction risks in Table 7.2-1 of its application, whereas EWT LP identified 22 development schedule risks alone. Moreover, although AOLP identified "Delayed Regulatory Approvals" as a somewhat likely high level risk in its table, AOLP did not explicitly identify the rejection of its ToR as a significant risk and has not proposed either any mitigation to reduce the risk from somewhat likely, nor to explain how its development plan would be affected were the ToR to be rejected."	Please see AltaLink Ontario's reply at Nos. 17 and 20 above. Contrary to ELP's assertion, AltaLink Ontario's project schedule is not risky – rather it provides a considerable degree of flexibility to manage project risk. Please see AltaLink Ontario's reply to No. 1 above.	Please see AltaLink Ontario's reply at Nos. 1, 17 and 20 above.

46.	III. C. AOLP pg. 89, lines 17-24.	"Ultimately, AOLP's development plan is premised on a number of assumptions about how fast AOLP will be able to navigate Ontario's regulatory process. Because of the sensitivity and connectedness of AOLP's development schedule to Ontario's environmental assessment process, replacing AOLP's aggressive assumptions with more prudent and realistic values can and will have a material impact on the date by which AOLP will be ready to submit an application for the Board's leave to construct. This creates a high degree of uncertainty for regulatory agencies and ratepayers about when AOLP will have completed development, and when it will be ready to start construction."	AltaLink Ontario's development plan is based on the experience and familiarity of SNC-Lavalin in navigating Ontario's regulatory process together with the advanced work completed by SNC-Lavalin in preparing draft EA Terms of Reference and a draft EA Scope of Work and a draft Route Selection and Optimization Study. Contrary to ELP's assertion, AltaLink Ontario's project schedule is not risky – rather it provides a considerable degree of flexibility to manage project risk. Please see AltaLink Ontario's reply to No. 1 and 45 above.	AltaLink Ontario Application, Part B, Section 4.3 and Table 4.3-2.
47.	III. C. AOLP pg. 89, lines 27-30.	"The Board's filing guidelines required transmitters to provide the applicant's plan for obtaining right of way and the land rights necessary for the new line. AOLP has not done so. Neither AOLP's schedule nor its development budget can be fully relied upon in the absence of a substantive plan for the acquisition of land rights."	AltaLink Ontario has provided its plan for obtaining the rights of way and land rights necessary for the new line at Section 9.1 of its Application. Because the need for the East-West Tie line will be re-assessed as part of a subsequent leave-to-construct proceeding, AltaLink Ontario did not view acquiring land as a prudent expenditure of ratepayer money during the project development phase of the project ($0 budgeted at Table 8.2-1). If the Board finds during a subsequent leave to construct process that the Line is no longer needed, ratepayer money spent on land acquisitions will have been wasted. Rather, AltaLink Ontario's land rights acquisition is included as a component of its proposed construction schedule (Appendix 16, C1001, C2001, C3001) and costs (Table 8.7-1). During the development phase, to the extent that consultations touch on land matters, those amounts are addressed in the First Nation and Métis and public consultation components of the development budget (Table 8.2-1) and schedule (Appendix 16). It appears that ELP was either looking at the wrong part of the AltaLink Ontario's schedule and budget, or chose to ignore this nuance.	AltaLink Ontario Application, Part B, Table 8.2-1, Table 8.7-1, Section 9.1, and Part C, Appendix 16, C1001, C2001 and C3001.
48.	III. C. AOLP pg. 90, lines 2-3.	'AOLP's development schedule does not explicitly identify when land right acquisition or routing activities will occur."	Please see AltaLink Ontario's reply to No. 47 above in respect of land right acquisitions. AltaLink Ontario has provided a detailed description of its route selection activities at Section 9.3 of its Application, which includes a draft route selection and optimization report prepared by SNC-Lavalin at Appendix 15 of its Application. This proposed route will be further refined as part of the EA process, as detailed in the draft EA ToR (Appendix 13) and the draft EA Scope of Work (Appendix 14).	AltaLink Ontario Application, Part B, Section 9.3, and Part C Appendix 13, 14, and 15.

49.	III. C. AOLP pg. 90, lines 3-6.	"It is also unclear how much time AOLP has allocated for public consultation before the Project route and line design are finalized. As mentioned above, AOLP's EA schedule seems to assume that the preferred route will be determined before any significant public consultation or land acquisition can reasonably occur."	AltaLink Ontario's proposed schedule clearly identifies the time allocated for First Nation, Métis consultations (EA124) and public consultations (EA101). AltaLink Ontario has provided a detailed description of its route selection activities at Section 9.3 of its Application, which includes a draft route selection and optimization report prepared by SNC-Lavalin at Appendix 15 of its Application. This proposed route will be further refined as part of the EA process, as detailed in the draft EA ToR (Appendix 13) and the draft EA Scope of Work (Appendix 14).	AltaLink Ontario Application, Part C, Appendix 16, EA101 and EA124. AltaLink Ontario Application, Part B, Section 9.3, and Part C Appendix 13, 14, and 15.
50.	III. C. AOLP pg. 90, lines 7-9.	"Although AOLP asserts that it will commence land acquisition activities early in the development process, it estimates that it will spend $0 on land acquisition during the development stage of the Project."	Please see AltaLink Ontario's reply to No. 47 above.	
51.	III. C. AOLP pg. 90, lines 9-12.	"Finally, AOLP's proposed route assumes land-use rights will be obtained to build the Project through Pukaskwa National Park, an assumption not without risk given that no consultation has been completed with the federal agencies who govern the park regarding an exception for development."	AltaLink Ontario identified and addresses any risk that it may be unable to obtain agreement to cross Pukaskwa National Park directly in its Application at Section 5 of Appendix 15, where it identifies its approach to potential alternate routing.	AltaLink Ontario Application, Part B, Section 5.1.1 and Part C, Appendix 15, Section 5.
52.	III. C. AOLP pg. 90, lines 16-22 and pg. 91, lines 1-2.	"Determining the route of the new line through the environmental assessment process with the agreement of the Crown and other land owners is fundamental to preparing an application for leave to construct. AOLP cannot meet the Board's requirements for filing a leave to construct application without first having established the proposed routing of the transmission line. Therefore, the lack of plan in particular to deal with potential risks in the land acquisition process can materially delay the leave to construct application and therefore cause AOLP to materially exceed its development schedule and budget. The fact that AOLP has not provided the Board with evidence of a comprehensive land acquisition strategy indicates a weakness in its development plan."	Please see AltaLink Ontario's reply to No. 47 above. Prior to filing leave-to-construct, AltaLink Ontario will finalize its detailed description of the land area required, the land rights required, and the land acquisition process and all relevant forms and correspondence each as required in the Board's filing requirements for leave to construct applications.	
53.	III. C. AOLP pg. 91, lines 13-16.	"In its designation application, AOLP does not propose a meaningful plan for consultation with the public or Aboriginal communities. Meaningful consultation depends on a number of factors, but in the least requires sufficient time for affected stakeholders to consider and comment on the proposals in question. AOLP's plan does not do this."	Please see AltaLink Ontario's reply to No. 30 above.	
54.	III. C. AOLP pg. 91, lines 17-22.	"Rather, as mentioned above, AOLP proposes to submit the ToR and the environmental assessment for approval in a timeframe that hinders full consultation with interested stakeholders. For example, AOLP proposes to submit its ToR for approval as early as two months after designation, leaving little time to carry out any meaningful consultation on the ToR given the time necessary to organize consultation opportunities and to incorporate feedback received."	Please see AltaLink Ontario's reply to Nos. 34 and 36 above.	

55.	III. C. AOLP pg. 91, lines 22-25.	"In addition, although AOLP proposes five Public Information Centres during its EA, AOLP's short EA timeline leaves the public, Aboriginal communities and government agencies with little time to review and digest a the significant amount of information that could be expected at each of these events."	Because of the work already completed by AltaLink Ontario in preparing draft ToR, a draft EA Scope of Work and a Route Selection and Optimization report – AltaLink Ontario will be in a position to share much of this information to initiate its consultation efforts promptly upon designation. Consequently, the public, First Nation and Métis communities, and government agencies will be given more than an adequate amount of time under AltaLink Ontario's proposal to review and digest all relevant information. The details of AltaLink Ontario's proposed EA schedule found in Appendix 13 and 14 address this directly.	AltaLink Ontario Application, Part C, Appendix 13, Sections 6.1.1 and 8 and Appendix 14, Section 5.2.6.
56.	III. C. AOLP pg. 91, line 25 and pg. 92, lines 1-2.	"Given the proposed timeline, it will be similarly difficult to ensure that input received from these stakeholders is accurately reflected in modifications to the Project design."	AltaLink Ontario is committed to meaningful consultations, including ensuring that input received from stakeholders is accurately reflected in the project design and planning. Please see AltaLink Ontario's reply to No. 30 above.	
57.	III. C. AOLP pg. 92, lines 2-5.	"AOLP's rushed consultation program therefore creates a significant risk that AOLP will be submitting documents for approval that have not been provided to the stakeholders with sufficient time for review and comment. This in turn creates a risk that AOLP's applications will be delayed or rejected."	ELP is misleading the Board by suggesting that AltaLink Ontario's proposed schedule savings comes at the expense of adequate public consultations. Both AltaLink Ontario and ELP scheduled approximately 2 months for public consultations in respect of the draft ToR. By contrast, AltaLink Ontario's schedule savings are derived from its considerable advance work completed prior to filing its designation application. Please see AltaLink Ontario's reply to Nos. 36 and 40 above.	
58.	III. C. AOLP pg. 92, lines 6-11.	"AOLP's approach to Aboriginal consultation is also incomplete. In its application, AOLP provides no indications of when it intends to finalize a Memorandum of Understanding with the Crown with respect to the delegated aspects of duty to consult, nor how it will then engage Aboriginal communities. Rather, it appears that AOLP is proposing to develop significant aspects of its proposed Project without input from Aboriginal communities. As mentioned, it has developed draft ToR prior to consultation."	AltaLink Ontario has indicated its support of including the requirement to enter into such an MOU with the Crown as a condition of designation. Consequently, AltaLink Ontario would enter into an MOU promptly upon designation. AltaLink Ontario does not view the entering into such an MOU as posing any risk of delay because AltaLink Ontario reviewed the MOU that was used for the Bruce-to-Milton line and indicated in its Application that it would be prepared to enter into such an MOU with the Crown. Please also see AltaLink Ontario's reply to No. 34 above.	AltaLink Ontario Application, Part A, para. 139. AltaLink Ontario AIC, para. 87.
59.	III. C. AOLP pg. 92, lines 11-18.	"AOLP also seemingly intends to rely primarily on certain Traditional Ecological Knowledge and Traditional Land Use studies to identify potential impacts to Aboriginal communities, rather than engaging in more meaningful consultation to assess these impacts. This approach to development can trigger significant opposition, and may create opponents of the Project in otherwise supportive stakeholders. These opponents may then seek opportunities to frustrate the Project or its development timeline and budget. Such challenges, when related to a failure of the proponent to discharge the procedural aspects of the Crown's duty to consult, may even result in the denial or quashing of key Project approvals."	ELP's assertion is misleading. AltaLink Ontario has filed a comprehensive Aboriginal Community Consultation Plan as part of its Application, which plan was developed based on discussions with and input from many of the First Nation and Métis communities that will be directly affected by the project. In addition, AltaLink Ontario provided evidence of its experience successfully engaging Aboriginal communities in a number of Alberta transmission projects by using a similar approach, including evidence of its experience completing the procedural aspects of Crown consultation with First Nation and Métis communities.	AltaLink Ontario Application, Part B, Section 10.1.2. AltaLink Ontario Response to General IR#11 and AltaLink IR #3. AltaLink Ontario Application, Part A, Sections 3.5, 3.6 and 3.7, Part B, Section 4.3.5.

60.	III. C. AOLP pg. 92, lines 21-24 and pg. 93, line 1.	"AOLP's aggressive schedule and lack of details for a number of key development activities exposes AOLP's development plans to a number of risks. Yet AOLP has not proposed sufficient mitigation measures to address them. For example, AOLP does not include a comprehensive risk mitigation table in its application, the risk table having only seven entries in total. Arguably only one relates to development activities."	Please see AltaLink Ontario's reply to Nos. 1, 16, 17, 18, 19, 20 and 45 above.	
61.	III. C. AOLP pg. 93, lines 1-17.	"[…] AOLP has provided no evidence that it has taken into account the following risks: o Public opposition whether caused by objections to the design of the line, the route of the line, the impact the new line will have on their existing land use or the designated transmitter's method of consultation; o The need for expropriation and associated construction delays if the proposed route is opposed by land owners; o Aboriginal communities objecting to the development of the Project whether because it fails to protect their Aboriginal and Treaty rights, or because they believe they have not been meaningfully consulted (i.e. the delegated aspects of the Crown's duty to consult has not been properly fulfilled because, for example, the designated transmitter rushed consultation); o development is delayed due to AOLP's failure to properly complete essential technical assessments such as IESO system impact studies; o development is delayed due to coordination issues among regulatory agencies; and o specifically, the ToR or the environmental assessment itself are rejected by the Minister of the Environment."	o Contrary to ELP's misleading assertion that AltaLink Ontario did not account for public opposition, AltaLink Ontario identified delays in approvals due to extended consultations with stakeholders as the first item in Table 7.2-1. AltaLink Ontario's strategy to address the identified risk is set out in the table and includes a detailed plan to manage any public opposition in general (Part B, Section 9, Part C, Appendix 14). o Contrary to ELP's misleading assertion, AltaLink Ontario identified delays in coordinating 3rd party access and crossings as the third item in Table 7.2-1. AltaLink Ontario provided a detailed plan for obtaining the necessary access rights at Section 9.1.2 of Part B. In addition, AltaLink Ontario's construction schedule includes a considerable amount of flexibility that could account for any such delays (See reply to No. 1 above). o Contrary to ELP's misleading assertion that AltaLink Ontario did not account for Aboriginal community objections, AltaLink Ontario identified delays in approvals due to extended consultations with any stakeholders as the first item in Table 7.2-1. AltaLink Ontario's strategy to address the identified risk is set out in the table and includes a plan to address First Nation and Métis objections in particular (Part B, Section 3 and Section 10). o Contrary to ELP's misleading assertion that AltaLink Ontario would fail to properly complete an essential technical assessment, such as the IESO's system impact assessment, AltaLink Ontario has significant technical experience in preparing the necessary impact assessments (Part B, Section 4). To the extent the SIA process is delayed for reasons outside of AltaLink Ontario's reasonable control, those regulatory delays are identified as the second item in Table 7.2-1 together with AltaLink Ontario's strategy to address such risks. o AltaLink Ontario has identified delayed regulatory approvals as the second item in Table 7.2-1, which would encompass both coordination issues among regulatory agencies and delayed approvals of the ToR or EA itself. Please see AltaLink Ontario's reply to Nos. 1 and 45 above.	AltaLink Ontario Application, Part B, Sections 3, 4, 9, and 10 and Table 7.2-1, and Part C, Appendix 14.

62.	III. C. AOLP pg. 93, lines 19-24.	"[I]n a schedule containing the number of aggressive and risky assumptions that AOLP has assumed, it is critically important to ensure those risks are identified and mitigated ahead of time and that contingency plans are established for any risk that remains outstanding. AOLP has not done so. Given that AOLP has provided no evidence of any plans to address the risks above, there must be doubt about the completeness and accuracy of its development schedule and budget."	AltaLink Ontario's development schedule does not contain any risky or aggressive assumptions, and AltaLink Ontario has provided detailed plans on how it intends to manage all material project risks including those identified above. Please see AltaLink Ontario's reply to Nos. 1 and 61 above.	Please see AltaLink Ontario's reply to Nos. 1 and 61 above.
63.	III. C. AOLP pg. 93, lines 26-27.	"AOLP's development and construction cost estimates may understate their true costs given the number of activities and risks that have not been fully identified."		
64.	III. C. AOLP pg. 93, lines 27-29 and pg. 94, lines 1-3.	"AOLP provides little evidence regarding how it will mitigate key development risks. Without such mitigation, AOLP's development risks are more likely to materialize in a way that adversely affects schedule and ultimately cost. Given the risks in AOLP's proposal, the ultimate development costs are highly uncertain; budgets based on prudent assumptions are less likely to deviate significantly than those based on highly risky ones."	Please see AltaLink Ontario's reply to Nos. 1, 16, 17, 18, 19, 20, and 61 above.	
65.	III. C. AOLP pg. 94, lines 5-9.	"Both AOLP's budgeted land acquisition and consultation costs are significantly lower than all other transmitters, yet AOLP did not explain how it would be able to file a complete application for leave to construct without undertaking at least some land acquisition activities – unless it is assuming that all land rights will be expropriated post designation."	Please see AltaLink Ontario's reply to Nos. 1 and 47 above.	
66.	III. C. AOLP pg. 94, lines 12-17.	"AOLP's budget should be judged taking into account the risks inherent in its proposed approach to the environmental assessment identified above; the limited time set aside for meaningful public consultation; the omissions relating to the land acquisition activities associated with an application for leave to construct; and the additional Project management costs that will arise as a result of delays in the development schedule, all of which are likely to increase AOLP's development budget."	None of mentioned items are likely to increase AltaLink Ontario's development budget for the reasons noted in AltaLink Ontario's reply to Nos. 1, 34 and 47 above.	
67.	III. C. AOLP pg. 95, lines 2-5 and lines 7-8.	"In its application, AOLP indicated it has made arrangements with its affiliates for the provision of services in respect of the Project. In particular, AOLP proposes that SNC Lavalin will provide planning and development services as well as engineering, procurement and construction (EPC). […] AOLP provided no evidence that it was paying no more than fair market price for these services."	Please see AltaLink Ontario's reply to No. 2 above.	

68.	III. C. AOLP pg. 95, lines 17-20.	"[T]he expectation of the Board is that a development plan set out in a designation application is to be implemented by a licensed transmitter, a development plan should be consistent with the transmitter's obligations under applicable codes, including the ARC. AOLP's development plan provides no evidence regarding how it will ensure compliance with the ARC."	Please see AltaLink Ontario's reply to No. 2 above.	
69.	III. C. AOLP pg. 96, lines 2-7.	"It is important for the designated transmitter to have experience and knowledge regarding the development of transmission lines in similar regulatory and physical environments. It is particularly important when for a transmitter to have such relevant experience when proposing a high risk development approach with minimal opportunity for consultation as AOLP is proposing. AOLP has not demonstrated that it has sufficient experience to identify and mitigate key Project risks and thus to successfully develop the Project as proposed."	Contrary to the Board's determination in its Phase 1 Decision and Order, ELP is asking the Board to favour its Ontario experience over experience gained by other applicants in other jurisdictions, as noted in AltaLink Ontario's reply to No. 4 above. AltaLink Ontario has not proposed a "high risk development approach" with "minimal opportunity for consultation". Please see AltaLink Ontario's reply to Nos. 1 and 34 above.	
70.	III. C. AOLP pg. 96, lines 8-9.	"AOLP's demonstrated experience is mainly in respect of its transmission system, a substantial portion of which located in the southern half of Alberta. This experience is not sufficient."	Contrary to the Board's determination in its Phase 1 Decision and Order, ELP is asking the Board to favour its Ontario experience over experience gained by other applicants in other jurisdictions, as noted in AltaLink Ontario's reply to No. 4 above. AltaLink Ontario relies throughout its application of the experience of both AltaLink L.P. and SNC-Lavalin. ELP's misleading assertion ignores AltaLink L.P.'s experience in Alberta, which is directly relevant to the proposed East-West Tie Line (Part B, Section 2.4). It also ignores SNC-Lavalin's Ontario and international experience, which is clearly documented throughout AltaLink Ontario's designation Application (Part B, Section 4).	AltaLink Ontario Application, Part A, Sections 2 and 3, Part B, Sections 2, and 4.
71.	III. C. AOLP pg. 96, lines 9-18.	"For example, AOLP is proposing to use screw pile foundations for the East-West Tie. As AOLP wrote, "Screw-piles are groups of 3 – 9 long metal pipes with flanges drilled into the ground until the prescribed torque is reached. Screw-piles can accommodate a broad range of soil types and terrain features." Further in its application, AOLP wrote, "[The project area] is dominated by shallow soils and granite bedrock that stretch from the northern end of the Great-Lakes St. Lawrence forests through to the Hudson Bay Lowlands." Yet it was only in response to the Board's Interrogatory #6 that AOLP admitted that its proposed foundation design, though very cost effective in southern Alberta, was not necessarily suitable for the Project: "AOLP is not aware of any examples of the successful use of screw-pile foundations in granite bedrock.""	AltaLink Ontario's preliminary assessment indicates that potentially up to 15% of the proposed tower locations may be suitable for the use of screw-piles as a cost saving option on sections of the East-West Tie Line, due to their low cost, speed of installation, reduced environmental impact and superior grounding characteristics. In addition, AltaLink Ontario further detailed its affiliate's extensive experience in the design and application of a range of other appropriate foundation types, including rock anchors, caissons, drilled piers, H-piles, Pad and Pier and grillages. Based on detailed geotechnical investigation, AltaLink Ontario has committed to choosing the foundation type that will meet all the technical requirements for the ground conditions at each site in the most economical fashion.	AltaLink Ontario Response to AltaLink IR#6.

72.	III. C. AOLP pg. 96, lines 21-23 and pg. 97, line 1.	"AOLP's lack of relevant experience extends to its familiarity with the regulatory environment that will govern the Project. AltaLink L.P.'s ("AltaLink's") experience obtaining government permits and regulatory approvals appears to be limited to the Alberta Utilities Commission and local municipalities in Alberta."	Contrary to the Board's determination in its Phase 1 Decision and Order, ELP is asking the Board to favour its Ontario experience over experience gained by other applicants in other jurisdictions, as noted in AltaLink Ontario's reply to No. 4 above. ELP's assertion entirely ignores AltaLink Ontario's evidence on the relevance of its Alberta regulatory experience to the East-West Tie Line (Part B, Section 2.4, para. 40-44). AltaLink Ontario further supplements its regulatory experience with Ontario specific regulatory expertise from Borden Ladner Gervais LLP (Figure 2.1-2). It also ignores SNC-Lavalin's Ontario experience obtaining relevant permits and regulatory approvals in Ontario and internationally (Table 4.3-2).	AltaLink Ontario Application, Part B, Section 2.1, Figure 2.1-2 and Section 2.4, para. 40-44.
73.	III. C. AOLP pg. 97, lines 1-2.	"In the least, it is not clear from the application whether AltaLink's management team has any experience from working outside of Alberta."	Contrary to ELP's misleading assertion, AltaLink Ontario has identified Darin Watson as its overall project manager for the East-West Tie project. Darin has managed major projects in the U.S., Australia and Ontario. This experience is complimented by the Ontario based and international experience of the SNC-Lavalin members of AltaLink Ontario's management team. Finally, AltaLink L.P.'s Alberta based experience is directly relevant to the Ontario environment.	AltaLink Ontario Response to General IR#2.
74.	III. C. AOLP pg. 97, lines 2-5.	"AOLP's partially completed routing study provided in Appendix 15 appears to ignore key development restrictions, such as the *National Parks Act*, that could prohibit the development of new transmission lines across Pukaskwa Park."	Contrary to ELP's misleading assertion, AltaLink Ontario's draft routing study expressly acknowledges the constraints of developing in Pukaskwa National Park in the first full paragraph at page 14 of Appendix 15. AltaLink Ontario identified this option because of the benefits of paralleling the existing transmission line right of way (Part B, Section 9.3, para. 336). In the event AltaLink Ontario is unable to cross Pukaskwa, AltaLink Ontario proposed pursing alternative routing around this and other locations (Appendix 15, pg. 19).	AltaLink Ontario Application, Part B, Section 9.3 and para. 336, Part C, Appendix 15, pg. 14 and pg. 19.
75.	III. C. AOLP pg. 97, lines 6-11.	"In addition, AltaLink appears to have a significant number of projects under development or construction. Given the significant resources that these projects will require, there is a risk that AltaLink could become resource constrained and not be able to dedicate sufficient resources to ensure the timely and cost-effective development of the Project. In the least, AOLP has not identified how it will manage multiple projects in multiple jurisdictions, or how it plans to mitigate the potential resource constraints this approach would likely involve."	AltaLink Ontario's extensive and recent experience in developing and constructing transmission ultimately results in the lowest cost and highest quality project for Ontario consumers. AltaLink Ontario's Application identifies the specific individual management, technical, and consultation resources that will be dedicated to the East-West Tie Line. By identifying these resources in advance, AltaLink Ontario will have no problem managing its resources. ELP appears to be holding its competitors to a different standard than it has met itself, as nowhere in its Application does it explain how it intends to avoid becoming resource constrained in light of the significant number of projects under development or construction by Hydro One Networks Inc. (http://www.hydroone.com/Projects/Pages/Default.aspx).	AltaLink Ontario Application, Part B, Section 2, Part C, Appendix 2, Appendix 4. AltaLink Ontario Response to General IR #1, 2, 3 and 5.

76.	III. C. AOLP pg. 97, lines 12-20.	"With respect to SNC Lavalin's relevant experience, the application contains no evidence that SNC Lavalin has completed an environmental assessment (rather than a simple screening) in Ontario for any linear infrastructure project. For example, the environmental assessment work undertaken with respect to the Red Lake Gold Mine was in relation to only 11.7 km of 115 kV line; the Musselwhite Gold Mine project was only 3 km of 115 kV on a mine site; and the Victor Diamond Mine is a project for which SNC completed the engineering studies but AMEC Environmental completed the environmental studies. Therefore, the application provides little evidence that AltaLink has supplemented its own inexperience with consultants familiar with the development of major transmission lines in northern Ontario or similar terrain."	SNC-Lavalin has recent and direct experience completing environmental assessments for transmission lines in Northern Ontario for Goldcorp's Red Lake Gold Mine (2011), Goldcorp's Musselwhite Gold Mine (2010), De Beer's Victor Diamond Mine (2005) among numerous other relevant projects (see Table 4.3-2 of the AltaLink Ontario Application). In addition, both AltaLink L.P. and SNC-Lavalin have completed numerous similar environmental assessments in Alberta, including assessments under the federal *Canadian Environmental Assessment Act, 2012*, which experience is directly relevant to the proposed East-West Tie Line.	AltaLink Ontario Application, Part B, Section 4.3 and Table 4.3-2, and Part C, Appendix 14.
77.	III. C. AOLP pg. 97, lines 22-24 and pg. 98, lines 1-3.	"In sum, AOLP's application proposes an unduly short development plan based on poorly judged assumptions and an inadequate consultation plan. Therefore, AOLP's proposal is vulnerable to schedule and cost overruns, and this creates a significant risk that AOLP will not be able to bring a leave to construct application as it has proposed in its designation application. Therefore, if AOLP is designated, the Board is unlikely to meet its objective of designating a transmitter to develop the Project in a cost-effective and timely way."	AltaLink Ontario's proposal is no more vulnerable to schedule or cost overruns than that of ELP and other designation applicants, as more fully explained in AltaLink Ontario's reply to Nos. 1, 14 and 34 above.	
78.	IV. Board Staff pg. 113, lines 13-17.	"A credible development schedule has certain steps that can only be completed in certain seasons. For example, certain environmental field studies can only be completed in the spring. Therefore, a proposed schedule like AOLP's that contemplates a designation date in late April 2013, and that is premised on field studies beginning in April 2013 as well, cannot simply be adjusted to reflect a designation date of August 1, 2013."	AltaLink Ontario has proposed a credible development schedule as noted in AltaLink Ontario's reply to Nos. 38 and 44 above.	

TOR01: 5204301: v1

Appendix "C" - Reply to the AIC of ICN/TPT

REPLY TO ASSERTIONS
CONTAINED IN ARGUMENT-IN-CHIEF ("AIC") OF
ICCON TRANSMISSION INC./TRANSCANADA POWER TRASNMISSION (ONTARIO) LP ("ICN/TPT")

No.	AIC Citation	Assertion	AltaLink Ontario Reply	Relevant Evidence
1.	Overview: pg. 2, para 3	"Iccon/TPT is the preferred choice to develop the East-West Tie. Together, Isolux Infrastructure and TransCanada have tremendous experience and expertise developing, building and operating major electric transmission and other linear infrastructure projects, including a long history in Northern Ontario and extensive experience engaging and working with First Nations and Metis communities. No other applicant can claim these combined strengths, which are the most credible measures of an applicant's capability to cost effectively develop and successfully build and operate the East-West Tie."	Contrary to ICN/TPT's assertion, AltaLink Ontario has demonstrated its tremendous experience and expertise developing, building and operating major electric transmission projects. Specifically, SNC-Lavalin has planned, designed and constructed over 90,000 kilometers of transmission line (compared to ICN/TPT's 10,000 kms) and some 1,500 substations around the world, including major transmission projects in Northern Ontario. AltaLink L.P.'s transmission system serves approximately 212,000 square km in Alberta and includes more than 12,000 km of high-voltage transmission lines and 280 substations, energized at voltages up to 500 kV. AltaLink L.P.'s system is used to supply electricity to most major urban centres in Alberta and approximately 85% of Alberta's population. AltaLink L.P. also owns and operates the interconnection facilities that connect the Alberta Interconnected Electric System with the transmission network in British Columbia, allowing electricity to flow into and out of Alberta. AltaLink L.P.'s transmission system operates synchronously with the North American western interconnected system.	AltaLink Ontario Application, Part A, Section 2, Section 3, Part B, Section 2.1, Section 4, and Part C Appendix 2, Appendix 3, and Appendix 4.
2.	Overview: pg. 2, para 4	"There is a significant gap in experience between Iccon/TPT and the other applicants as demonstrated by the responses to the Board's Interrogatory 32 which asked applicants to identify transmission projects greater than 100 km undertaken in the last ten years."	ICN/TPT ignores evidence of the combined experience of AltaLink L.P. and SNC-Lavalin, as further detailed in AltaLink Ontario's reply to No. 1 above.	
3.	Overview, pg. 3, para. 7	"Given these limitations, the Board's most important consideration should be the capability of applicants, measured by reference to their expertise and track records. Capability is an essential prerequisite to designation; the applicants' plans are based on preliminary commitments, projections and assumptions that are only as good as an applicant's capability to deliver."	AltaLink Ontario agrees that the technical capability of an applicant is an important consideration for the Board's designation decision. However, AltaLink Ontario does not agree that the Board should favour this single criterion at the expense of the other important designation criteria, including considerations of the proposed design, schedule, costs, First Nation and Métis participation, landowner, municipal and community consultation, and First Nation and Métis consultations.	*Phase 1 Decision and Order*, Issue 1, pg. 4.
4.	INTENTIONALLY DELETED.			
5.	III. C(b) Iccon/TPT Aboriginal Engagement Plan and Experience: pg. 18, para 44	"Based on TransCanada's substantial engagement experience, the amounts other applicants have allotted for First Nations and Metis consultation are significantly less than what will likely be required. […] In Iccon/TPT's	ICN/TPT has provided evidence that demonstrates that it has proposed by-far the most costly approach to First Nation and Métis consultations ($11M vs. the next highest budget of $1.723M).	AltaLink Ontario's Application, Part A, Sections 3.5 and 3.6, Part B, Section 3, Section 4.1.6, Part C, Appendix 14.

		view, it is unlikely that the designated transmitter could undertake adequate engagement on the limited budgets proposed by other applicants."	This is overly conservative and expensive approach does not provide good value for ratepayer money. Rather, ICN/TPT's high consultation budget is due to ICN/TPT's problematic history with First Nation and Métis communities. ICN/TPT is the only Applicant actively involved in a claim regarding a failure to meet the Crown's duty to consult. This is also demonstrated in ICN/TPT's restrictive approach to First Nation and Métis participation. ICN/TPT is the only Applicant that has confirmed that it has not proposed equity participation with any First Nation and Métis communities. Finally, it is based upon TransCanada's experience with natural gas pipelines and fails to take into account the different concerns an electricity transmission line may raise for First Nation and Métis communities. This is because ICN and TPT do not have any experience developing transmission lines in Canada. By contrast, AltaLink Ontario is drawing on AltaLink L.P.'s dedicated Aboriginal Relations team's experience consulting with First Nation and Métis communities about electricity transmission projects in Alberta, AltaLink L.P.'s experience partnering with the Piikani and Blood First Nations on an electricity transmission line, SNC-Lavalin's experience consulting with First Nation and Métis communities as part of a broader EA process for electricity transmission lines, and the guidance of Phil Fontaine and his team at Ishkonigan. Based on this combined experience and the input from a number of affected First Nation and Métis communities, AltaLink Ontario proposed a detailed plan and a reasonable budget for First Nation and Métis consultations and participation.	AltaLink Ontario Response to AltaLink IR #3. ICN/TPT Response to General IR #10 and General IR #14.
6.	III. C(c) Iccon/TPT Plan for First Nations and Metis Participation: pg. 20, para 49	"With a major project like the East-West Tie, it is not a prudent or realistic approach to propose that multiple and diverse interests can all be solved by a single approach, be it equity or otherwise. Iccon/TPT has prudently based its application on the assumption that participation may include: education and training programs; project employment; contracting and procurement opportunities for Aboriginal-owned businesses; community investment benefits, etc."	AltaLink Ontario raised concerns in its AIC about the level of diligence that went into ICN/TPT's Application in respect of its proposal for First Nation and Métis participation. In its AIC, ICN/TPT again takes the position that the determination of participation will be dependent upon further discussions with each of the communities. This is not a framework for participation that can be considered or evaluated by the Board – this simply pushes any decisions about participation into the future without ICN/TPT making any definitive commitments as part of this designation proceeding. AltaLink Ontario submits that this approach is contrary to the government's interest in promoting First Nations and Métis participation in energy projects as expressed in the Minister's letter to the Board dated March 29, 2011, and the	ICN/TPT Response to General IR #6 and #10.

			Board's own intent in establishing First Nation and Métis participation as a separate criterion for evaluation at page 7 of its Phase 1 Decision and Order. During its initial meetings with affected First Nation and Métis communities, AltaLink Ontario learned that these communities were quite interested in equity participation opportunities in the project. ICN/TPT has confirmed that it has not proposed equity participation with any First Nation and Métis communities. AltaLink Ontario submits that ICN/TPT has failed to demonstrate any advantages of this approach, particularly given the high level of interest in equity participation expressed by the affected communities. AltaLink Ontario's approach is an inclusive approach providing equity participation along with other forms of participation.	
7.	III. C(c) Iccon/TPT Plan for First Nations and Metis Participation: pg. 21, para 51	"AltaLink and EWT LP have indicated that First Nations and Metis communities will obtain their equity interest at "fair market value" and "on commercial terms and conditions", which strongly suggests that not all of the available benefits will flow to the affected communities."	AltaLink Ontario has proposed a proven model of First Nation and Métis participation that AltaLink, L.P. has used successfully in Alberta with the Piikani and Blood First Nations. Such an approach does not ask ratepayers to subsidize First Nation and Métis participation. Nor does it impact on AltaLink Ontario's credit rating. Rather, First Nation and Métis communities would participate on commercial terms and conditions. AltaLink Ontario's experience has shown that this approach can be very successful, with First Nation communities arranging financing through independent financial institutions. In addition, AltaLink Ontario has identified other funding sources (such as the AEPP and the ALGP) created to facilitate exactly this type of equity participation.	AltaLink Ontario Application, Part A, Section 3.6, Part B, Section 3 and 10.2. AltaLink Ontario Response to General IR #8 and 10.
8.	III. F (a) Development Costs, pg. 27, para. 73	"Figure 5 shows that Iccon/TPT has presented a prudent and competitive cost estimate for the development phase of the EastWest Tie. With the exception of the lowest outlier AltaLink, the pre-leave to construct development costs for all applicants average $19.4 million and are within an 8% range. Iccon/TPT has presented a competitive estimate that is consistent with the average."	ICN/TPT's comparison fails to recognize the significant pre-development work AltaLink Ontario completed by preparing and filing as part of its Application a draft EA Terms of Reference ("ToR"), a draft EA Scope of Work, and a draft Route Selection and Optimization Study. This work will allow AltaLink Ontario to hit the ground running immediately following designation to commence public consultations. No other Applicant has done this pre-development work (which they have scheduled and budgeted to start post-designation). AltaLink Ontario's pre-development work is to the benefit of Ontario ratepayers, because AltaLink Ontario is not seeking recovery of the $1.6 million for work to prepare its Application completed prior to January 4, 2013.	AltaLink Ontario Application, Part B, Table 8.2-1, Table 8.7-1, Section 9.1, and Part C, Appendix 13, Appendix 14, Appendix 15, and Appendix 16.
9.	III. F (b) Construction and Operation & Maintenance Costs:	"AltaLink's development costs estimate is 25% lower than the average, but its construction costs estimate is higher than that of any other applicant (see Figure 6)."	ICN/TPT's construction cost comparison is misleading. AltaLink Ontario applied with a range of construction costs	AltaLink Ontario Application, Part B, Section 8.

	pg. 29, para 73, footnote 65		between $425 million to $550 million, and AltaLink Ontario later identified a point estimate of $454,098,000 in response to General IR #26. By contrast, ICN/TPT applied with a range of construction costs between $545 million to $712 million, with a point estimate of $572 million. In terms of confidence, this range reflects a point estimate with a confidence interval of plus 30%/minus 5%. Using the same confidence interval, ICN/TPT's updated construction costs of $418,536,000, has a confidence range of $397,609,200 (minus 5%) to $544,096,800 (plus 30%). This range is comparable with AltaLink's construction cost range. In addition, ICN/TPT's construction cost comparison also fails to incorporate its high OM&A costs into its project cost estimates, the present value of which over 50 years at 7% will cost ratepayers $43,472,351 more than AltaLink Ontario proposes for the same scope of work. Finally, after viewing its competitors bids, in response to General IR #26, ICN/TPT suggested that a large portion of its construction costs are due to interest during construction, escalation, contingency and financing costs – none of which is supported in the evidentiary references ICN/TPT provides back to its original application in response to General IR #26. AltaLink Ontario is concerned that ICN/TPT may have used the interrogatory response to effectively modify its construction cost bid by assigning costs to categories it could later ignore.	AltaLink Ontario Response to General IR #26. ICN/TPT Application, Section 8 and Section 8.7. ICN/TPT Response to General IR #26.
10.	III. F (b) Construction and Operation & Maintenance Costs: pg. 29, para 79	"Figure 7 shows a comparison of the applicants' estimated operation and maintenance costs. It is evident that several of the applicants have not included significant cost categories in their estimate."	AltaLink Ontario did not fail to budget regulatory costs as suggested by ICN/TPT's table. Rather, AltaLink Ontario indicated that it intends to enter into an affiliate contract for O&M functions including "administrative functions such as regulatory applications and administration, accounts payable/receivable, human resource administration, payroll, taxes, facilities and information technology." Under this approach, regulatory costs were included as part of the overall administrative costs component of AltaLink Ontario's O&M budget. The estimate also includes direct maintenance costs such as line inspections, hardware replacements and vegetation management, as well as indirect costs such as engineering support, supervision as well as an allocation of administration.	AltaLink Ontario Application, Part A, Sections 3.3 and Part B, Section 2.1.2, Para. 19 and Section 8.12, Paras. 310-312. AltaLink Ontario Response to General IR #26.
11.	III. F (c) Risk Allocation Proposals: pg. 30, para 82	"While other applicants have proposed other mechanisms to allocate risk between themselves and transmission ratepayers, these proposals are very preliminary in nature and should be given little weight. For example, AltaLink	ICN/TPT deliberately ignores AltaLink Ontario's response to AltaLink IR #9, where AltaLink Ontario explains that it could negotiate a target price or lumped sum fixed price with the ratepayer groups and other parties that intervene in the	Phase 1 Decision and Order dated July 12, 2012 (EB-2011-0140), Page 5.

		has proposed a sharing mechanism based on a "target price for construction costs [that] would be negotiated", but no details are provided on how such a mechanism would be established or who would negotiate the target price. To work effectively, AltaLink's proposal would require a detailed implementation agreement establishing milestone dates and force majeure rights. The Board does not have the ability to serve as the contractual counterparty to such an arrangement."	leave-to-construct proceeding pursuant to the Board's typical settlement conference guidelines. As with other settlement agreements, it would be subject to Board review and approval. The Board invited Applicants in its Phase 1 Decision and Order to describe any proposals they have regarding the recovery of the various categories of costs from ratepayers, with particular emphasis on proposals that reduce costs or risks for ratepayers. AltaLink Ontario took this invitation seriously and indicated that it is not seeking recovery of the costs of preparing its application for the designation process, reflecting an immediate and direct benefit to Ontario ratepayers of $1.6 million. In addition, AltaLink Ontario proposed an innovative tariff approach for both development and construction costs which would allow for further reductions of ratepayer risk. Finally, AltaLink indicated it was open to a levelized tariff structure to address intergenerational fairness issues. In each case however, AltaLink Ontario indicated that it will accept the Board's traditional cost of service model, but makes these proposals as an alternative that the Board might select if the Board finds that they reduce costs or risks for ratepayers. Even if the Board does not adopt any of AltaLink Ontario's alternative tariff approaches, the Board will have benefited from AltaLink Ontario's "out of the box" thinking aimed at reducing ratepayer costs, risks and reducing intergenerational unfairness.	AltaLink Ontario Application, Part B, Sections 6.5.2, 8.1, 8.6, 8.11. AltaLink Ontario Responses to AltaLink IR #7 and AltaLink IR #9.
12.	III. F (d) Ability to Control Costs: pg. 31, para 85	"The best indicator of an applicant's ability to control costs is the applicant's track record. In this respect, Iccon/TPT are unique amongst the applicants – Isolux Infrastructure is accustomed to developing transmission projects in an environment where it accepts the risk for project cost deviations and must manage that risk."	ICN/TPT's comparisons fail to take into account the different stages when the particular cost or schedule forecast was created. While each of AltaLink Ontario's estimates were created as part of a publically available Facilities Application with the Alberta Utilities Commission early in the project development lifecycle, ICN/TPT has provided estimates which are completed as part of a Brazilian procurement that occurs later in the development process (at approximately the same time ICN/TPT enters into a definitive EPC contract) (ICN/TPT Response to General IR#32). As a result, this information cannot be verified to be comparable to AltaLink Ontario's estimates which are available in public filings. ICN/TPT also fails to account for the reasons for variances that were entirely outside of AltaLink L.P.'s reasonable control. AltaLink Ontario has provided a very detailed description of the reasons for the budget and schedule variances provided in response to General IR #32.	AltaLink Ontario Response to General IR #32. ICN/TPT Response to General IR#32.

			Finally, ICN/TPT's comparison fails to take into account the fact that no significant variances are expected in respect of the Western Alberta Transmission Line ($1,424M), Southern Alberta Transmission Line ($360M) and the Southern Alberta Transmission Reinforcement ($311M) – even though this is clearly stated on the record in response to General IR#32.	

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Appendix "D" - Reply to the AIC of RES

REPLY TO ASSERTIONS
CONTAINED IN ARGUMENT-IN-CHIEF ("AIC") OF
RES CANADA TRANSMISSION LP ("RES")

No.	AIC Citation	Assertion	AltaLink Ontario Reply	Relevant Evidence
1.	A. Overview pg, 5, para. 12(ii).	The Preferred Design comprises an innovative, single circuit 230 kV transmission line that meets or exceeds all applicable system reliability and system performance requirements, as confirmed by the IESO in a feasibility study prepared for RES Transmission in 2012 and included at Exhibit H-2-3 of the Application.	RES' proposed single circuit design should be rejected by the Board. The single-circuit option is contrary to the recommendations and judgement of both the OPA and the IESO. As noted by AltaLink Ontario at paras. 51-57 of its AIC, the proposed single-circuit design provides an inherently lower level of security and reliability than afforded the double-circuit option, and is simply not comparable to the reference option because of the necessity of costly, but as of yet unquantified, control actions. RES itself acknowledges the presence of these additional costs and attempts to estimate them at paras. 131-135 of its AIC. AltaLink Ontario is concerned that RES, which disagrees with ELP's own estimate, is purposefully underestimating the costs of the control actions in an attempt to present its proposal more favourably.	OPA Phase 2 Submissions dated May 9, 2013 at page 1, line 27 to page 2, line 20. IESO Phase 2 Submissions dated May 9, 2013 at pages 2-3. AltaLink Ontario AIC, paras. 51-57.
2.	A. Overview pg, 7, para. 15.	It is also prepared, at the option of the Board, to develop and construct either the Preferred Design or the Reference Design along the Preliminary Preferred Route for a firm cost of $413.4 million and $493.7 million, respectively (each, the "Bid Amount") (collectively, the "Firm Bid Proposal"), subject to approval of the Board in a future proceeding, of industry-indexed adjustments for inflation, accounting practices and the calculation of interest.	RES has not completed the necessary development work to provide a detailed evidentiary backing for its construction forecasts. This is reflected in RES's own confidence interval for its construction costs, which is reflected in the range of $417.1M-$512.9M at Exhibit B-1-1, Table B-4, para. 40 of its Application for the Reference Option. Despite this uncertainty, RES purports to offer a "Firm Bid Proposal" of $493.7 million. However, contrary to RES' purposefully misleading nomenclature, the "Firm Bid Proposal" is most certainly not a firm bid to complete the construction costs for $493.7 million. Rather it is conditional on RES' "Risk Sharing Proposal" discussed below.	RES Application, Exhibit B-1-1, Table B-4, para. 40.
3.	A. Overview pg, 7, para. 16.	The Firm Bid Proposal is also conditional on the Board, in a future rate proceeding, approving RES Transmission's Risk Sharing Proposal.	The RES' risk sharing proposal is not indicative of a "Firm Bid Proposal", rather and as described in considerable detail in AltaLink Ontario's AIC at para. 113 it is an overly complex and untested cost recovery proposal that in AltaLink Ontario's view provides for a skewed and one-sided allocation of risk in favour of RES at the expense of ratepayers, particularly given the broad nature of the one-sided exceptions carved out by RES.	AltaLink Ontario AIC, para. 113.
4.	A. Overview pg, 8, para. 18.	RES Transmission's Preferred Design is approximately $80 million less costly than its Reference Design. EWT LP ("EWT") estimated the cost savings of its single circuit option as between $70 and $110 million.	Contrary to RES' misleading assertions, the costs of the single circuit line are simply not comparable to the reference option because of the necessity of costly, but as of yet unquantified, control actions. Both the OPA and the IESO	OPA Phase 2 Submissions dated May 9, 2013 at page 1, line 27 to page 2, line 20.

No.	AIC Citation	Assertion	AltaLink Ontario Reply	Relevant Evidence
		With respect to reliability, the IESO has verified that RES Transmission's Preferred Design meets all applicable requirements pertaining to transfer capacity, system performance and system reliability. To be clear, the single circuit Preferred Design is as reliable as the double circuit configuration.	identified a similar concern. RES has failed to account for these costs to ratepayers for these control actions in its project estimate. And again, contrary to RES' misleading and self-serving assertions, the proposed single-circuit design provides an inherently lower level of reliability, scalability and maintainability than afforded the double-circuit option. This is confirmed by the IESO in submissions.	IESO Phase 2 Submissions dated May 9, 2013 at pages 2-3. AltaLink Ontario AIC, paras. 51-57.
5.	A. Overview pg, 8, para. 19.	If, however, the Board decides that the redundancy offered by a double circuit design is actually required, notwithstanding the evidence of historical outages and its much higher cost, then RES Transmission's proposal to construct its Reference Design for the Firm Bid amount of $493.7 million, is the next best alternative. None of the other applicants has offered ratepayers this level of cost predictability and certainty.	Please see AltaLink Ontario's reply to No. 2 above.	
6.	E. Costs pg, 48, para. 114.	RES Transmission's project schedule contemplates a 24-month development phase with an estimated development cost of $21.5 million for any of the four design/route options selected. This amount comprises the sum of a detailed base estimate of $20.1 million and a contingency amount of $1.4 million.	The RES proposal to develop the East-West Tie Line will cost Ontario ratepayers approximately $3.2 million, or 17.6% more, than AltaLink Ontario proposes for the same scope of work. This high development cost is particularly problematic if the Board determines during a subsequent leave to construct proceeding that, based on updated advice from the OPA, there is not a need to continue to the construction phase for the East-West Tie line. RES has failed to demonstrate in its proposal the incremental value it proposes to provide to account for these additional costs to Ontario ratepayers.	AltaLink Ontario AIC at para. 112.
7.	E. Costs pg, 53, para. 128.	As discussed above in paragraphs 91-94 above, in the "Design" section, the significant advantage of RES Transmission's Preferred Design is that its full transfer capacity (684 MW) can be installed at once or, alternatively, in discrete stages over time, as system requirements materialize. This defers and, thus, reduces costs to ratepayers.	For the reasons provided at para. 115 of its AIC, AltaLink Ontario submits that the Board should reject RES' proposal to stage the construction of the East-West Tie Line over an 8 year period commencing in 2018. This approach is incompatible with the Filing Requirements which at Section 7.3 requires applicants to propose a single in-service date for the line (which under this staged approach, would appear not to occur until sometime in 2026). It is premature to make a decision on whether a staged approach would be preferable at this designation hearing. Rather, if a staged approach to constructing the East-West Tie Line provides for optimal value to ratepayers based on the OPA's updated assessment of need, the Board should expect that any transmitter that is designated as a result of this proceeding would come forth with such a proposal as part of its leave to construct application.	RES Application, Exhibit G, Tab 1, Schedule 1, Page 2. AltaLink Ontario AIC at para. 115.
8.	F. Project Management and Delivery pg. 69, para 158	"At this time, RES Transmission has not selected the Owners' Engineer or any of the other major construction contractors since sole-sourced construction contracts (as proposed by Altalink, CNPI and Iccon/TPT) may not provide the best value to ratepayers. This is an important	AltaLink Ontario is not proposing to sole source any contracts without competitive pricing. In its AIC, AltaLink Ontario indicated that it does not seek any exemptions from the terms in the standard transmission licence. Once designated, AltaLink Ontario is responsible for complying	AltaLink Ontario Argument-in-Chief, para. 5. *Affiliate Relationships Code for Electricity Distributors and*

No.	AIC Citation	Assertion	AltaLink Ontario Reply	Relevant Evidence
		consideration as the costs associated with these contracts will likely be in excess of $100 million (excluding material costs). RES Transmission will choose major construction contractors, after designation, through a competitive bidding process."	with all regulatory requirements as soon as those requirements become applicable, including the *Affiliate Relationship Code* ("ARC"). ARC does not prohibit affiliate contracts. Rather, it includes various restrictions on utilities contracting with affiliates including very detailed transfer pricing restrictions. Where a market for services exists, this includes holding a fair and open competitive bidding process or using other satisfactory benchmarks to establish a market price. AltaLink Ontario will report on its ARC compliance in accordance with the Board's standard recordkeeping and reporting requirements. In addition, AltaLink Ontario will be required to demonstrate the prudence of its costs as part of a subsequent leave-to-construct proceeding. Finally, SNC-Lavalin's role will be as construction manager and it will subcontract the vast majority of the actual EPC work through a series of competitive bidding processes. The evidence of these competitive tenders, which will account for the vast majority of construction work, will be included among AltaLink Ontario's overall evidence of compliance with ARC further enhancing the transparency associated with having AltaLink Ontario be the designated transmitter for the East West Tie.	*Transmitters* (Revised March 15, 2010), Section 2.3 (Transfer Pricing). AltaLink Ontario Application, Part B, Section 4.4.6.
9.	G. Project Schedule pg. 73, para 164.	"**Mining and Timber Rights:** Unlike the other applicants, RES Transmission's development schedule takes into account the need to negotiate agreements with parties that hold existing mining and timber rights on lands the EWTL may traverse. Significant development in mining and forestry activities in northwestern Ontario means that surface and underground rights have been granted, all along the Project route. RES Transmission has identified 97 active mining claims, covering approximately 91 km of the proposed route; consents, in the form of option agreements, will need to be obtained from each claim holder, during the development phase."	AltaLink Ontario identified its plans to acquire the necessary land use rights categorized in Table 9.1-1, which includes Easement Agreements, Freehold Buyouts as well as Crown Land and First Nation Agreements, which can be used to address mining and timber rights as well as other interests in lands. In addition, AltaLink Ontario identified its cumulative land acquisition experience relates directly to that required on the East-West Tie Line as it encompasses the processes, variety of stakeholder engagements, and structured approach necessary to secure land use rights in a timely manner to meet schedule deadlines. Specifically, Table 4.3-1 lists several recent AltaLink L.P. projects as a representative example of its relevant land acquisition experience. To suggest, in this context, that AltaLink Ontario does not take into account the need to address mining and timber rights among other land acquisition issues is misleading.	AltaLink Ontario Application, Part B Section 4.3.1, Table 4.3-1, and Section 9.1.1 and Table 9.1-1.
10.	I. Comparative Analysis and Critique of Applications pg. 83, para 190	"(i) Schedule: RES Transmission has proposed an aggressive but realistic development schedule in order to achieve a year-end 2018 in-service date. Its project schedule is comparable to the schedules of EWT and CNPI and contrasts with the unrealistic development schedules	AltaLink Ontario has not adopted an "unrealistic development schedule" as alleged by RES. Both RES and AltaLink Ontario are proposing a year-end 2018 in-service date.	AltaLink Ontario Application, Part B, Section 7.3.4, and Part C, Appendix 13, Appendix 14 and Appendix 15 and Appendix 16.

No.	AIC Citation	Assertion	AltaLink Ontario Reply	Relevant Evidence
		proposed by AltaLink, Iccon/TPT and, particularly, UCT […]."	Differences in the particular components of the schedules as between applicants should be expected. AltaLink Ontario brings a new set of capabilities and core competencies to Ontario, which differs from those of RES. Unlike RES, AltaLink Ontario completed significant pre-development work by preparing and filing as part of its Application a draft EA Terms of Reference ("ToR"), a draft EA Scope of Work, and a draft Route Selection and Optimization Study. This work will allow AltaLink Ontario to hit the ground running immediately following designation to commence public consultations. No other Applicant has done this pre-development work, meaning that they are simply unable to match AltaLink Ontario's development schedule because they must now complete all of this pre-development work after the designation decision. For example, RES has allocated 189 days to ToR document writing and production, which work will commence only after designation (Schedule N-1-2, pg. 5 of 37, Activity ID T1.09), and which occurs prior to a further 60 days of subsequent review and revisions based on public and agency comments (Schedule N-1-2, pg. 5 of 37, Activity ID T1.10). AltaLink Ontario's pre-development work is to the benefit of Ontario ratepayers, because AltaLink Ontario is not seeking recovery of the $1.6 million for work to prepare its Application completed prior to January 4, 2013. Notwithstanding the considerable pre-development work that has already been completed, AltaLink has built considerable flexibility into its proposed project schedule. This flexibility means that AltaLink Ontario can accommodate delays of up to 4 months in the applied for EA schedule without any cost or schedule risk. In addition, AltaLink Ontario's EA schedule can be extended with no risk by an additional 8 months because of flexibility built into AltaLink Ontario's 3-year construction schedule. Specifically, AltaLink Ontario would achieve the 4 month savings by altering its construction schedule and utilizing the 3-month period currently allocated between LTC and commencement of construction to start preliminary construction work (such as site clearing) without increasing overall costs. In addition, AltaLink Ontario's applied for construction period can be reduced by 8 months by increasing the number of crews from 2 to 3 without increasing overall costs.	RES Application, Schedule N-1-2, pg. 5 of 37, Activity IDs T1.09 and T.1.10.
11.	I. Comparative Analysis and Critique of	"(ii) Competitive Costs: RES Transmission has submitted the most cost-effective proposal comprising: (1) a	RES' submission is misleading. Specifically, RES' development cost budget will cost ratepayers $3.2 million,	

No.	AIC Citation	Assertion	AltaLink Ontario Reply	Relevant Evidence
	Applications pg. 83, para 190	development costs estimate of $21.5 million which compares favourably with the development estimates of all other applicants; and (2) the lowest construction cost estimate for an IESO-verified design (Figure I-1)."	or 17%, more than AltaLink Ontario proposes for the same scope of work (as noted in AltaLink Ontario's reply to No. 6 above). The costs of RES' single circuit line are simply not comparable to the reference option because of the necessity of costly, but as of yet unquantified, control actions (as noted in AltaLink Ontario's reply to No. 1 above). Finally, RES has not completed the necessary development work to provide a detailed evidentiary backing for its $493.7 million construction forecast for the Reference Option. This is reflected in RES's own confidence interval for its construction costs, which is reflected in the range of $417.1M-$512.9M at Exhibit B-1-1, Table B-4, para. 40 of its Application for the Reference Option.	
12.	I. Comparative Analysis and Critique of Applications pg. 83, para 190	"(iii) Binding Costs: In contrast to the indicative cost estimates submitted by all other applicants, RES Transmission has submitted a binding cost proposal (i.e., Firm Bids) for both design options along its Preliminary Preferred Route."	Please see AltaLink Ontario's reply to Nos. 2 and 3 above.	
13.	I. Comparative Analysis and Critique of Applications pg. 83, para 190	"(ix) Mining and Timber Rights: RES Transmission is the only applicant that appears to have considered, researched and planned for the accommodation of parties who have mining and timber rights on Crown lands (which comprise approximately three-quarters of the route or 300 km)."	Please see AltaLink Ontario's reply to No. 9 above.	
14.	I. Comparative Analysis and Critique of Applications pg. 83, para 190	"(xii) Selection of Contractors: RES Transmission intends to institute a competitive bidding process for major contractors including retaining an Owners Engineer and engineering-procurement-construction ("EPC") contactor. This will ensure competitive pricing for services that are likely to exceed $100 million (excluding material costs). Sole-sourced construction contracts to affiliates (as proposed by AltaLink and Iccon/TPT) are unlikely to provide the best value for ratepayers."	Please see AltaLink Ontario's reply to No. 8 above.	
15.	I. Comparative Analysis and Critique of Applications pg. 87, para 191	"(i) Unrealistic Schedule: AltaLink proposes an aggressive and unachievable development schedule of 14 months (Table I-1) that does not provide sufficient time to properly undertake the consultation, environmental, engineering design, and land valuation activities that are required for a complete LTC application (RES PIR-AltaLink #1), as more fully described in EWT's and RES Transmission's applications (EWT-Exhibit B-7 and RES-Exhibit N). Particularly troubling is AltaLink's compressed schedule for completing the First Nation and Métis consultation process, which experience indicates will be a time-intensive process that cannot be rushed."	Please see AltaLink Ontario's reply to No. 10 above.	
16.	I. Comparative Analysis and Critique of Applications	"(ii) Estimated Costs: AltaLink has understated its development cost estimate ($18.2 million) and has specifically excluded the cost of acquiring or optioning	Because the need for the East-West Tie line will be re-assessed as part of a subsequent leave-to-construct proceeding, AltaLink Ontario did not view acquiring land as	AltaLink Ontario Application, Part B, Table 8.2-1, Table 8.7-1, Section 9.1, and Part C, Appendix 16, C1001,

No.	AIC Citation	Assertion	AltaLink Ontario Reply	Relevant Evidence
	pg. 87, para 191	land rights. These costs have been estimated to be in the range of $2 to $3 million by other applicants. AltaLink has also understated its construction cost estimate ($454.1 million) by not including a contingency amount – contrary to OEB's request in interrogatory OEB All-26. Contingency amounts have been estimated by other applicants in the range of $35 to $60 million."	a prudent expenditure of ratepayer money during the project development phase of the project ($0 budgeted at Table 8.2-1). If the Board finds during a subsequent leave to construct process that the Line is no longer needed, ratepayer money spent on land acquisitions will have been wasted. Rather, AltaLink Ontario's land rights acquisition is included as a component of its proposed construction schedule (Appendix 16, C1001, C2001, C3001) and costs (Table 8.7-1). During the development phase, to the extent that consultations touch on land matters, those amounts are addressed in the First Nation and Métis and public consultation components of the development budget (Table 8.2-1) and schedule (Appendix 16). AltaLink Ontario did not see value in confusing the evidence before the Board by providing two different measures of uncertainty for its construction costs - Contingency plus a confidence range. Rather, AltaLink Ontario expressed its construction cost forecast as a range which includes Contingency but also includes forecasting error arising from the preliminary nature of these estimates, reflecting that detailed development work has not yet been completed. However, several of the Other Applicants did exactly this – expressing uncertainty as both a Contingency plus a confidence range on top of the Contingency.	C2001 and C3001. AltaLink Ontario Response to General IR#28
17.	I. Comparative Analysis and Critique of Applications pg. 87, para 191	"(iii) Costs and Exclusions: AltaLink has submitted an uncompetitive and understated "preliminary" cost estimate ($472.3 million) for the development and construction of the EWTL. AltaLink's cost estimate excludes key cost components (land acquisition costs in the development phase and contingency costs in the construction phase). Notwithstanding, its estimate is still $58.5 million higher than RES Transmission's binding Firm Bid for the Preferred Design (Figure I-1)."	Please see AltaLink Ontario's reply to No. 16 above.	
18.	I. Comparative Analysis and Critique of Applications pg. 87, para 191	"(iv) Cost Accuracy: The imprecision of AltaLink's total line cost estimate is demonstrated by the wide range of its estimates: $425 to $550 million, a $125 million range (Table I-2). "	RES's own confidence interval for its construction costs for the Reference Option is $417.1M-$512.9M, a range of $95.8 million. To suggest that RES' construction forecast is somehow more precise than AltaLink Ontario's is misleading. RES has not completed the necessary development work to provide a detailed evidentiary backing for its construction forecasts.	RES Application, Exhibit B-1-1, Table B-4, para. 40.
19.	I. Comparative Analysis and Critique of Applications pg. 87, para 191	"(v) Selection of Contractors: AltaLink has pre-selected an affiliate (SNC-Lavalin) as its Owners' Engineer and EPC contractor. This precludes a competitive process to obtain market rates for services that are likely to exceed $100 million (excluding material costs) without any associated ratepayer protections for cost overruns (RES PIR-AltaLink	Please see AltaLink Ontario's reply to No. 8 above.	

No.	AIC Citation	Assertion	AltaLink Ontario Reply	Relevant Evidence
		#3)."		
20.	I. Comparative Analysis and Critique of Applications pg. 87, para 191	"(vi) Alternate Routes or Designs: It does not appear that AltaLink has considered or proposed alternate routes or alternate designs that could provide benefits to ratepayers."	RES deliberately ignores the alternate routes which AltaLink Ontario expressly considers in its draft route selection and optimization report (Appendix 15), and ignores AltaLink Ontario's proposal to evaluate the use of an alternate H-frame structure along certain areas of the proposed route as well as the use of off-site assembly yards and helicopter erection techniques to set structures, each of which can result in further costs savings for the East-West Tie Line project and can be implemented safely and efficiently. By contrast, RES' alternate design consists of a single-circuit design that is contrary to the recommendations of both the OPA and the IESO.	AltaLink Ontario Application, Part B, Section 6.5.3 and Part C, Appendix 15.
21.	I. Comparative Analysis and Critique of Applications pg. 87, para 191	"(vii) Risk Sharing: AltaLink has described a conceptual and non-binding risk sharing proposal tied to a cost overrun cap of 10%. AltaLink's application is vague about how this proposal would be implemented and to what parts of its application it applies."	AltaLink Ontario provided a detailed proposal to implement its risk-sharing proposal by negotiating with interested intervenors using the Board's established settlement conference process, which would give the Board an opportunity to examine in detail all relevant evidence prior to either accepting or rejecting any such proposal. By contrast, RES is asking the Board to accept its overly complex and untested cost recovery proposal that in AltaLink Ontario's view provides for a skewed and one-sided allocation of risk in favour of RES at the expense of ratepayers, particularly given the broad nature of the one-sided exceptions carved out by RES.	AltaLink Ontario Response to AltaLink IR#9.
22.	I. Comparative Analysis and Critique of Applications pg. 87, para 191	"(viii) Mining and Timber Rights: AltaLink does not appear to have considered or planned for the accommodation of parties who hold mining and timber rights on Crown lands. Crown lands comprise about three-quarters of AltaLink's prepared route (approximately 300 km) (RES PIR-AltaLink #2)."	Please see AltaLink Ontario's reply to No. 9 above.	
23.	I. Comparative Analysis and Critique of Applications pg. 87, para 191	"(ix) Constructability and Access: It does not appear that AltaLink has assessed constructability or access requirements. This is in contrast to the comprehensive desktop analysis and 50 person-days of field investigations completed by RES Transmission (RES PIR-AltaLink #5)."	AltaLink Ontario completed significant pre-development work in preparation of its Application, including field reviews, route selection and mapping (Part A, Section 3) which resulted in a draft route selection and optimization report (Appendix 15) which addresses constructability and access issues, all of which remains subject to further consultations with First Nation, Métis communities, government stakeholders and landowners in accordance with AltaLink Ontario's draft EA ToR (Appendix 13) and draft EA Scope of Work (Appendix 14). To suggest that AltaLink Ontario did not consider constructability or access requirements is misleading.	AltaLink Ontario Application, Part A, Section 3, Part C, Appendix 13, Appendix 14, and Appendix 15.

Appendix "E" - Reply to the AIC of UCT

REPLY TO ASSERTIONS
CONTAINED IN ARGUMENT-IN-CHIEF ("AIC") OF
UPPER CANADA TRANSMISSION, INC. ("NEXTBRIDGE" OR "UCT")

No.	AIC Citation	Assertion	AltaLink Ontario Reply	Relevant Evidence
1.	Summary: pg. 2, para. 4	"NextBridge presents the most cost effective proposal that meets or exceeds the OPA's stated requirements."	UCT fails to acknowledge that its proposal to develop the East-West Tie Line will cost Ontario ratepayers approximately $4.2 million, or 23% more, than AltaLink Ontario proposes for the same scope of work. In addition, UCT fails to incorporate its high OM&A costs into its project cost estimates, the present value of which over 50 years at 7% will cost ratepayers $37,910,650 more than AltaLink Ontario proposes for the same scope of work. Finally, UCT fails to explain why it is requesting a project specific return on equity which pays a premium over and above the Board's standard ROE without any corresponding reductions to ROE for poor performance.	NextBridge Response to General IR #26. AltaLink Ontario Response to General IR #26. NextBridge Application, Sections 5.8 and 5.4. NextBridge Response to Nextbridge IR #11.
2.	Summary: pg. 3, para.6	"[…] NextBridge is the only applicant that has proposed a schedule that will bring the project into service within the timeframe specified in the OPA's reference option, by the end of 2017."	Based UCT's EA timelines, its schedule for an in service date of end of 2017 is unrealistic. AltaLink Ontario has done considerable pre-development work by completing and filing a draft EA Terms of Reference, a draft EA Scope of Work, and a draft Route Optimization and Selection Study, all of which will allowed AltaLink Ontario to advance its EA schedule by finishing activities prior to designation that other Applicants have scheduled to start following designation. By contrast, UCT has not provided sufficient evidence that it has completed similar pre-development work, nor has UCT provided credible evidence in its 2 page "Major Steps in Environmental Assessment" (Appendix 17) to describe exactly how it intends to advance its EA approval process by approximately 4 months vs. the Ministry's guidance. There is nothing in UCT's Application that resembles AltaLink Ontario's draft EA Terms of Reference or draft EA Scope of Work to explain how UCT intends to achieve its asserted EA timelines.	AltaLink Ontario Application, Part B, Section 7.3.4, and Part C, Appendix 13, Appendix 14 and Appendix 15 and Appendix 16. NextBridge Application, Appendix 17.
3.	Summary: pg. 4 para. 7	"[…] NextBridge has evidenced a significantly greater ability to meet schedule for project development and construction than is shown by any of the other applicants."	UCT's project variance comparison is overly simplistic and misleading. UCT's comparison fails to take into account the different stages when the particular cost or schedule forecast was created. While each of AltaLink Ontario's estimates were created as part of a publically available Facilities Application with the Alberta Utilities Commission early in the project development lifecycle, it is unclear at what stage in development UCT's estimates were created as the majority of its estimates refer to non-public meetings. As a result, this information cannot be verified to be comparable to AltaLink Ontario's estimates which are available in public filings. UCT also fails to account for the reasons for variances that were entirely outside of AltaLink L.P.'s reasonable control. AltaLink Ontario has provided a very detailed description of the reasons for the	AltaLink Ontario Response to General IR#32(b). UCT Response to General IR#32.

			budget and schedule variances provided in response to General IR #32. For example, the Western Alberta Transmission Line was delayed for ~11 months after, in the Fall of 2011, the Alberta Utilities Commission suspended hearings on the project while a government appointed expert panel reviewed the government's approach to certain Critical Transmission Infrastructure projects. This delay was due to an extraordinary circumstance that was entirely outside of AltaLink L.P.'s reasonable control. UCT fails to take these types of circumstances into account in its simplistic comparison.	
4.	Summary: pg 5 para. 8-9	"[…] NextBridge's applications stand apart in that NextBridge is the only applicant to offer true innovation for Ontario's electricity transmission sector. NextBridge proposes to use Guyed-Y transmission structures for this project, while maintaining a double circuit configuration as specified in the OPA's reference plan."	As noted in its AIC, AltaLink Ontario has concerns about UCT's proposal to use guyed-Y steel lattice structures. In response to General IR #15, UCT refers to a number of examples of the use of guyed structures by Hydro Quebec, Manitoba Hydro and BC Hydro. However, each of these examples relate to the use of guyed towers for single circuit lines. There is nothing in UCT's response to indicate that the proposed guyed structures have been successfully used for a double circuit design in terrain and weather conditions similar to that of Northern Ontario, or anywhere else for that matter. Further, UCT has failed to provide any comments on the potential risks of their recommended plan to use guyed-Y steel lattice structures for a double circuit project. Rather, UCT is asking the Board to take a bet on an untested and unproven design. This is particularly concerning in light of ELP's observation that such a structure when used for double circuit purposes would be susceptible to high bending loads.	AltaLink Ontario, AIC, para. 122. ELP AIC, pgs. 64-68. UCT Application, Section 6. UCT Response to General IR #15.
5.	Summary: pg. 6 para. 13	"NextBridge has put forward the most developed and comprehensive organizational structure for the project, demonstrating the highest degree of preparedness for, and commitment to, the project from among all of the applicants."	UCT provides no evidentiary basis to support this bald assertion, which fails to address AltaLink Ontario's own Application which assigns eminently qualified and experienced individuals for all key management, technical and consultation functions.	AltaLink Ontario Application, Part B, Sections 2 and 4, and Part C, Appendix 2 and Appendix 4. AltaLink Ontario Response to General IR #1, 2, 3, and 5.
6.	NextBridge Project Proposal pg. 14-16, paras. 45, 47, 48, and 53	"Some of the applicants - Altalink and EWT - offer a range of alternative proposals for the line, essentially indicating that the development process will dictate what project will ultimately be built. The focus of these applications is on the ability and experience of the applicant, whereas identification of the optimal line for effectively tying together the eastern and western Ontario transmission systems is deemphasized." […] "Some applicants, and in particular, Altalink, indicate a broad range of costs, with costs to be better defined depending on the route and	AltaLink Ontario has put forth a detailed and credible application to develop the East-West Tie Line with a proposed design, firm development budget and schedule, which acknowledges that as detailed development work and consultations are completed, changes to the proposed design may naturally arise. AltaLink Ontario's construction cost estimate reflects this reality and is expressed in a range as permitted by Section 8.7 of the OEB's Filing Requirements. AltaLink Ontario's use of a range for the estimate is further explained in its response to General IR #27(b). AltaLink Ontario will file its definitive proposal for the East-West Tie Line including construction costs as part of a leave to construct application, once all necessary development work is completed.	AltaLink Ontario Application, Part B, Sections 6, 7 and 8 and in particular Section 8.7, and Part C, Appendix 13, Appendix 14, Appendix 15 and Appendix 16. AltaLink Ontario Response to General IR#27(b).

		technology ultimately decided on." "NextBridge submits that the provision of a definitive and mature proposal is an important consideration in determining which applicant is best suited to develop the East-West Tie." "In respect of the proposals of other applicants, while some degree of flexibility is commendable, NextBridge submits that a lack of commitment to a preferred option indicates a lack of rigour in analysis of the appropriate solution for the line. Examples of this include:" […] "d) AltaLink's wide cost range, indicating little preliminary work was done, or that Altalink has little confidence in its cost estimates." "In contrast to these other designation proponents, NextBridge has offered a well-defined project, developed through analysis of a range of options."	By contrast, UCT appears to be suggesting that its "definitive proposal" will not change during the project development stage. This suggests a fundamental lack of experience in managing the complexity of developing an electricity transmission line that will form a core part of the provincial system.	
7.	Total Costs, pg. 21, para 69	" In respect of cost: a) NextBridge's $377.5 million (unadjusted, in 2012 dollars) forecast construction cost for the Recommended Plan is materially below the construction costs of any of the other applicants' double circuit proposals. b) NextBridge's $22.2 million (unadjusted, in 2012 dollars) forecast development costs are in the middle of the range presented by the six applications before the Board. c) NextBridge's $4.4 million (in 2012 dollars) forecast Operations and Maintenance costs are inside the range presented by the 6 applications. d) Overall, NextBridge presents the lowest cost solution, by a significant margin, from the six applications before the Board."	While the Board intends to consider forecasted construction schedules and costs, this information is, at this point in time, of limited value and should be weighed accordingly. None of the applicants in this process, including UCT, have completed the necessary development work to provide a detailed evidentiary backing for their construction forecasts. Further, the construction costs and schedules are not binding on an applicant – rather these issues will be re-assessed in detail by the Board as part of a leave to construct or subsequent rate proceeding. UCT's proposal to develop the East-West Tie Line will cost Ontario ratepayers approximately $4.2 million, or 23% more, than AltaLink Ontario proposes for the same scope of work. AltaLink Ontario is concerned that UCT has underestimated its forecasted construction costs by assuming use of guyed-Y steel lattice structures for its proposed double-circuit design, even though as noted in reply to No. 4 above there is no evidence on the record that such structures have been successfully used for a double-circuit design. There is nothing to prevent UCT from dramatically underestimating its construction costs for the purposes of winning this designation process and then returning at leave to construct with a significantly higher construction budget. Finally, UCT has failed to recognize the high present value of its proposed OM&A costs which over 50 years at 7% will cost ratepayers $37,910,650 more than AltaLink Ontario proposes for the same scope of work.	AltaLink Ontario AIC, para. 15. NextBridge Response to General IR #26. AltaLink Ontario Response to General IR #26.

8.	Construction Costs: pg. 23, para. 73 and 76	"In contrast, for example, AltaLink, in its Application, has provided a construction cost range of $425 million to $550 million; a range of some $125 million (or some 30% of its lower end forecast.) AltaLink explains its cost range on the basis of the preliminary nature of the project information available at this time. AltaLink indicates that it will develop a "point estimate that includes contingency" as it "moves through the development stage and better defines and clarifies the risk involved in project execution"." […] "AltaLink has provided a wide construction cost range, and has justified that range only with the statement that it has more work to do in order to better define its costs."	Unlike UCT, AltaLink Ontario has given the Board a very clear understanding of the limitations on budgeted construction costs, not only for AltaLink Ontario but for every applicant including UCT. AltaLink Ontario's construction cost estimates are well within the range of reasonable estimates based on proven and tested designs received by the Board in response to General IR #26, particularly once one takes into account the present value of OM&A costs over the 50 year life of the line. By contrast, UCT's construction costs are based on an unproven and risky double-circuit guyed-Y tower design which results in underestimated construction costs, and those underestimated construction costs do not account for the present value of UCT's high OM&A costs over the life of the line. By contrast, both AltaLink Ontario's and UCT's proposed development costs are firm amounts, based on detailed development plans and schedule. UCT's proposal to develop the East-West Tie Line will cost Ontario ratepayers approximately $4.2 million, or 23% more, than AltaLink Ontario proposes for the same scope of work.	AltaLink Ontario AIC, para. 15. NextBridge Response to General IR #26. AltaLink Ontario Response to General IR #26.
9.	Construction Costs: pg. 24, para. 77 and 78	"NextBridge also notes that AltaLink has the highest cost overrun history of all of the applicants, as reflected in Figure 2. Included at the outset of this Argument. While the 62% cost overrun history calculated for AltaLink is based on only one project – the SouthWest Transmission Development – this is the only project included by AltaLink in response to Board Interrogatory 32 to all Applicants for which cost variance data has been provided. NextBridge submits, with respect, that AltaLink has failed to demonstrate a relevant history of managing projects comparable to the East-West Tie line to cost, and that AltaLink's wide construction cost budget has not been adequately explained or justified."	UCT purposefully ignores AltaLink Ontario's very detailed description of the reasons for the budget and schedule variances for the SouthWest Transmission Development provided in response to General IR #32. The budget variance is explained in detail in response to part (a), which relates to the schedule variance explained in response to part (b). These variances were due to factors not reasonably foreseeable. UCT's argument is also deliberately misleading. Estimated and forecasted variances are prone to gaming, and do not have the same degree of reliability as actual cost variances. Yet UCT is comparing its forecasts with AltaLink Ontario actuals. For example, the ($62.5M) variance in respect of the Lone Star Transmission project was calculated based on a forecast rather than "Actual Costs". UCT has filed no evidence in support of its forecast, which may be grossly understated to skew the results in UCT's favour. Similarly, the $25M estimated variance in respect of the Montana-Alberta Tie Line is not detailed in evidence, and may be grossly underestimated to skew the results in UCT's favour. By contrast, AltaLink Ontario only provided actuals when available (AltaLink Ontario Response to General IR#32).	NextBridge Response to General IR #32. AltaLink Ontario Response to General IR #32.
10.	Construction Costs: pg. 26, paras 89 and 90.	"NextBridge submits, with respect, that: a) Neither AltaLink nor EWT LP, both of whom have histories rooted in cost of service focused utilities, have provided sufficient explanation for the wide range of construction costs proposed. b) Neither of these applicants has demonstrated	UCT's argument suggests that the Board should make its designation decision on the basis of forecasted construction costs. AltaLink Ontario submits that this approach would expose ratepayers to a great deal of risk because construction cost forecasts are non-binding on applicants and are not based on actual development work completed. Put simply, there is not sufficient evidence to back-up the forecasts at this point in time to meet the Board's standards in terms of reviewing	AltaLink Ontario AIC, para. 15.

		the historical ability to manage costs to plan as well as NextBridge partners have. The resulting weakness of the AltaLink and EWT LP cost proposals, combined with the fact that neither of these applicants have proposed low cost bid relative to their competitors to begin with, provides a reasonable basis for the Board to reject their applications for designation."	cost estimates. Please see also AltaLink Ontario's response to Nos. 8 and 9 above.	
11.	Advantages of Encouraging New Entrants, pg. 30, para. 106	"The NextBridge application illustrates these advantages of new entry. The designation of NextBridge to develop the East-West tie would: a) Bring new sources of funds to Ontario's electricity transmission sector. b) Result in innovation, such as through use of a simple yet reliable and cost effective Guyed-Y transmission tower. c) Bring new and disciplined project management experience to Ontario's transmission development requirements by a new entrant, introducing to Ontario the best transmission planning, construction and operation practices from a number of North American jurisdictions."	AltaLink Ontario's application similarly illustrates the advantages of new entry by bringing new sources of funds to Ontario's electricity transmission sector and bringing new and disciplined project management experience to Ontario's transmission development by a new entrant. In addition, AltaLink Ontario's application demonstrates the ability of the Board's competitive designation process to inspire innovation - AltaLink Ontario completed a significant amount of pre-development work at its own expense prior to filing its designation application so that it could advance its development schedule and provide the best value-for-money for Ontario ratepayers. As a result, AltaLink Ontario has put forth the most cost-effective proposal to complete the development work on the East-West Tie Line by a margin of more than $3 million as against the next most cost-effective proposal.	AltaLink Ontario Application, Part B, Section 7.3.4, and Part C, Appendix 13, Appendix 14 and Appendix 15 and Appendix 16. AltaLink Ontario AIC, paras. 62-67 and Table 2.
12.	Schedule: pg. 33, paras 115 and 116.	"NextBridge is the only Applicant who proposes to meet that in-service date […]. Some other applicants – EWT, RES – have indicated that they could, possibly, expedite their in-service date, for an additional cost. (AltaLink refers to expediting its schedule without expressly referencing cost.)"	The OPA views a 2018 in-service date as appropriate for the East-West Tie expansion. The OPA further indicates this timeline is consistent with the OPA's understanding of typical transmission development timelines. It is unclear how UCT proposes to achieve its 2017 in-service date, given the typical timelines for transmission development. Please see AltaLink Ontario's reply to No. 2 above for an explanation of our concerns with UCT's development schedule. As explained in its Application, AltaLink Ontario can, if the Board desires, advance its proposed in-service date by 12 months by undertaking new tower family design and testing, geo-technical investigation and early procurement of long-lead time materials in advance of the Leave to Construct approval. This would have the effect of shifting certain costs from the construction budget to the development budget prior to Leave to Construct. AltaLink Ontario did not make this its primary proposal because of the effect on development costs and AltaLink Ontario's overall commitment to minimizing ratepayer risk by managing its development costs in view of the fact that the OPA has only completed a preliminary assessment of need to justify the commencement of development work. This approach is consistent with the OPA's view that it does not support increasing costs significantly in order to bring the line into service by 2017.	OPA Phase 2 Submissions, May 9, 2013, at Section 2, pg. 3. AltaLink Ontario Application, Part B, Section 7.3.4. AltaLink Ontario AIC, paras. 65-67.

13.	Schedule: pg. 35, para 127	"[…] NextBridge notes that: a) None of the other applicants proposed an in service date that meets the OPA's specified time frame."	Please see AltaLink Ontario's response to No. 12 above.	
14.	Schedule: pg. 35, para 127	"[…]NextBridge notes that: b) None of the other applicants has demonstrated as strong a history at managing projects to schedule as has NextBridge."	Please see AltaLink Ontario's response to No. 3 above.	
15.	Project Organization, Capability and Experience: pg. 38, para 135.	"NextBridge submits that it has the most completely defined and stable internal project management and governance structure and the most clearly identified project management resources of all of the applicants designation."	Please see AltaLink Ontario's response to No. 5 above.	
16.	Project Organization, Capability and Experience: pg. 39, para 140.	"In contrast to NextBridge's detailed project management structure and resourcing: e) […] AltaLink does not describe the roles and responsibilities of the individuals in its organization charts. AltaLink identifies few third party resources, other than in case of First Nations and Metis services. Considering that AltaLink has no experience in jurisdictions outside of Alberta this is a risk. AltaLink also does not address how it will employ SNC-Lavalin for engineering, procurement and construction (EPC) services."	Contrary to UCT's misleading assertions: • In addition to the organization charts at Figure 2.1-2 and 2.1-1, AltaLink Ontario describes the role and experience of each member of its management team at Appendix 2 of its Application. In addition, AltaLink Ontario describes the experience of each member of its technical team at Appendix 4 of its Application and describes the role of each member of its technical team in response to General IR #3. • Figure 2.1-2 of AltaLink Ontario's application identifies numerous experienced Ontario-based third party resources including for legal and regulatory services (Borden Ladner Gervais LLP), First Nation and Métis services (Ishkonigan Inc.), land services (Synergy Land Services Ltd.), environmental services (SNC-Lavalin, Woodland Heritage Services Ltd, Northern Bioscience Ltd.), and EPC services (SNC-Lavalin). • Section 4.4.6 of AltaLink Ontario's application indicates that SNC-Lavalin's role will be to manage the construction process. SNC-Lavalin itself will subcontract the vast majority of the actual EPC work through a competitive bidding process. AltaLink Ontario is not proposing to sole source any contracts without competitive pricing. In its AIC, AltaLink Ontario indicated that it does not seek any exemptions from the terms in the standard transmission licence. Once designated, AltaLink Ontario is responsible for complying with all regulatory requirements as soon as those requirements become applicable, including the *Affiliate Relationship Code* ("ARC"). ARC does not prohibit affiliate contracts.	AltaLink Ontario Application, Part B, Section 2.1, Figures 2.1-1 and 2.1-2, Section 4.4.6, and Part C, Appendix 2 and Appendix 4. AltaLink Ontario Argument-in-Chief, para. 5. *Affiliate Relationships Code for Electricity Distributors and Transmitters* (Revised March 15, 2010), Section 2.3 (Transfer Pricing).
17.	Project Organization, Capability and Experience: pg. 42, para 153.	"AltaLink appears to have no significant Ontario investments."	Contrary to UCT's assertion, AltaLink Ontario has taken an integrated approach in its application by calling upon the collective experience of the AltaLink group of companies, including SNC-Lavalin. In Ontario, SNC-Lavalin has over 150 environmental personnel and 180 engineers and project management personnel. SNC-Lavalin has also successfully completed several assignments covering planning, design, construction and project management for high-voltage transmission facilities in Ontario.	AltaLink Ontario Application, Part A, Section 2.1, and Part B,
18.	First Nation and Metis Consultation and	" The consultation processes outlined in Section 10 of NextBridge's Application will bring forth	As noted in AIC, AltaLink Ontario is concerned that UCT's proposal for First Nations and Métis participation appears to be vague and non-	UCT Application, Section 3 and Appendix 5.

	Participation, pg. 44, para. 160.	dialogue and insight that will result in more detailed custom participation plans. Until such dialogue has occurred, NextBridge prefers to refer to its participation plan as "preliminary"."	committal. UCT does not commit a specific proportion of equity for First Nations and Métis participation purposes, nor does UCT commit to offering any equity participation at all. By leaving all of its options open, UCT has not demonstrated that it has a clear plan to facilitate First Nations and Métis participation that can be evaluated by the Board. This lack of detail is particularly concerning in light of AltaLink Ontario's overall concerns with UCT's development schedule, as noted in reply to No. 2 above. In addition, UCT's proposal for First Nations and Métis participation includes an "adder" that would pass the costs associated with facilitating First Nation and Métis economic participation onto Ontario ratepayers as a premium in approved transmission rates. By contrast, AltaLink Ontario's proposal for First Nations and Métis economic participation would not necessitate any additional premium tariff funded by ratepayers.	UCT Response to General IR #6. UCT Response to UCT IR #9.
19.	Landowner, Municipal and Community Relations: pg. 57, para. 217	"Overall, no other applicant offers a better approach to landowner, municipal, and community relations than does NextBridge."	UCT's submission entirely ignores the wealth of evidence demonstrating AltaLink Ontario's ability to conduct successful consultations with landowners, municipalities and local communities, as detailed at paras. 75-81 of AltaLink Ontario's AIC. It also ignores AltaLink Ontario's draft EA Scope of Work and draft EA Terms of Reference documentation, which provide in considerable step-by-step detail the landowner, municipal and community consultations which AltaLink Ontario will complete if designated.	AltaLink Ontario, AIC, para.s 75-81. AltaLink Ontario, Application, Part C, Appendix 13 and Appendix 14.