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BY E-MAIL

October 29, 2014

Mr. E. Gleason,
President of Upper Canada Transmission, Inc.
390 Bay Street, Suite 1720
Toronto, ON
M5H 2Y2

Dear Mr. Gleason,

Re: East-West Tie Expansion Project- Development Schedule
Ontario Energy Board File No. EB-2011-0140

The Board has received the letter from Mr. Anderson on behalf of the Ontario Power Authority dated September 30, 2014, proposing an extension of the in-service date for the East-West Tie expansion project. The Board recognizes that the OPA's proposal will affect the schedule of Upper Canada Transmission Inc. for development of the East-West Tie line.

As you are aware, UCT based its development schedule on an in-service date of early 2018, which was supported by the need update provided by the OPA on October 8, 2013. The development schedule presumed a leave to construct application would be filed in January, 2015. UCT has been updating its progress to the Board in monthly reports.

The Board recommends that UCT and the OPA work together to produce a revised development schedule for the East-West Tie expansion. The proposed in-service date for the line in the revised schedule should be based on the OPA's most current information regarding the need for the line. The OPA has expressed its continuing support for development of the line. The revised schedule should include, to the extent the OPA believes this is necessary, flexibility to "allow the East-West Tie expansion project to come into service quickly should the pace of demand growth change". The Board encourages the OPA to provide advice to UCT on the pacing of the development work that UCT is to undertake.

The revised development schedule must include, at a minimum:

- The proposed in-service date for the line
- A revised development schedule, including past milestones achieved and future milestones with proposed completion dates
- A proposal for the frequency of reporting to the Board

UCT should also consider the impact on costs of any revised development schedule.

The revised development schedule must be filed with the Ontario Energy Board no later than December 19, 2014.

While work on the revised development schedule is underway, UCT is not required to file reports for the months of November and December, 2014. The Board also recognizes that the milestone in the current development schedule regarding the receipt of a final System Impact Assessment from the Independent Electricity System Operator may be delayed.

The Board will determine what further steps need to be taken once it receives the revised development schedule from UCT.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary

- c. Mr. C. Anderson, Chief Executive Officer, Ontario Power Authority
Mr. B. Campbell, President and Chief Executive Officer, IESO
Mr. C. Marcello, President and Chief Executive Officer, Hydro One Networks Inc.