

EB-2007-0006

NOTICE OF APPLICATION AND HEARING

KRUGER ENERGY PORT ALMA LP

APPLICATION FOR LEAVE TO CONSTRUCT

PORT ALMA WIND POWER PROJECT TRANSMISSION FACILITIES

Kruger Energy Port Alma Wind Limited Partnership (the “Applicant” or “KEPA”) has filed an application with the Ontario Energy Board (the “Board”) dated January 12, 2007 under section 92 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, Schedule B.

The Applicant has applied for an order of the Board for leave to construct approximately 12 kilometres of single circuit 230 Kilovolt (“kV”) electricity transmission line and associated facilities. The transmission line would extend from the new KEPA Transformer Substation (“TS”) located about 6km west of the town of Merlin to a new switching station, KEPA Junction Station (“JS”), about 24km west of Chatham, between Chatham TS and Lauzon TS. At KEPA JS the proposed transmission line will connect with existing Hydro One Transmission Networks Inc. 230 kV transmission lines C23Z or C24Z.

The construction of the associated facilities, KEPA TS and KEPA JS, is part of the application. The proposed facilities will serve the Kruger Energy Port Alma Wind Project. A map showing the location of the proposed facilities is included with this Notice.

The Applicant proposes to commence construction by July 2007, in order to achieve a May 2008 in-service date. The costs of the proposed facilities will be borne by the Applicant.

The Board has assigned File No. EB-2007-0006 to this application.

How to see the Applicant's Pre-filed Evidence

Copies of the application and the pre-filed evidence in support of the application will be available for public inspection at the Board's offices and at the Applicant's head office (addresses below).

How to Participate

You may participate in this proceeding in one of three ways:

1. You may send the Board a letter of comment. Your letter should include any request to make an oral presentation to the Board, and must be received by the Board no later than 30 days from the publication date of this notice or, if you have been served this notice personally, no later than 30 days from the date of service.
2. You may request observer status in order to receive documents issued by the Board in the proceeding. Your request must be made by letter received by the Board no later than 10 days from the publication date of this notice, or, if you have been served this notice personally, no later than 10 days from the date of service.
3. You may request intervenor status if you wish to actively participate in the proceeding. Your request must be made by letter of intervention received no later than 10 days from the publication date of this notice, or, if you have been served this notice personally, no later than 10 days from the date of service. Your letter of intervention must include a description of how you are, or may be, affected by the proceeding and if you represent a group, a description of the group and its membership. The Board may choose to hold either a written or an oral hearing. Your letter of intervention should indicate your preference for a written or oral hearing, and the reasons for that preference. The Board may order costs in this proceeding. You must indicate in your letter of intervention whether you expect to seek costs from the applicant and the grounds for your eligibility for costs. You must provide a copy of your letter of intervention to the applicant.

Need More Information?

Further information on how to participate may be obtained by visiting the Board's Web site at www.oeb.gov.on.ca or by calling our Consumer Relations Centre at 1-877-632-2727.

How to Contact Us

In responding to this notice please reference Board file number EB-2007-0006. It is also important that you provide your name, postal address, telephone number and, if available, an e-mail address and fax number. All communications should be directed to the attention of the Board Secretary at the address below, and be **received no later than 4:45 p.m. on the required date.**

For your convenience, the Board accepts letters of comment by either post or e-mail. Our e-mail address is Boardsec@oeb.gov.on.ca. Please include the application file reference number in the subject line of your e-mail.

Letters of intervention must be sent to the Board by regular mail to the address below. Please remember that you must send a copy of your request for intervention to the applicant at the address listed below.

IMPORTANT

IF YOU DO NOT REQUEST TO PARTICIPATE IN ACCORDANCE WITH THIS NOTICE, THE BOARD MAY PROCEED IN YOUR ABSENCE AND YOU WILL NOT BE ENTITLED TO ANY FURTHER NOTICE OF THE PROCEEDING.

FURTHER, IF THE LEAVE TO CONSTRUCT IS GRANTED, KRUGER ENERGY PORT ALMA LP MAY SUBSEQUENTLY APPLY FOR THE RIGHT TO EXPROPRIATE IF NECESSARY.

ADDRESSES

(for viewing of copies of application)

Ontario Energy Board
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto, ON, M4P 1E4

Attn: Ms. Kirsten Walli
Board Secretary

Tel: 1-888-632-6273 (Toll free)
Fax: 416-440-7656
E-mail: boardsec@oeb.gov.on.ca

**Kruger Energy Port Alma Limited
Partnership**
3285 Chemin Bedford
Montreal, Quebec, H3S 1G5

Attn: Guy J. Paquette
Director of Legal Affairs

Tel: 514-343-3247
Fax: 514-343-3124
E-mail: gpaquette@kruger.com

Applicant's counsel

Borden Ladner Gervais LLP
Scotia Plaza, 40 King Street West
Toronto, ON, M5H 3Y4

Attn: Christine E. Long
Legal Counsel

Tel: 416-367-6683
Fax: 416-361-2770
E-mail: clong@blgcanada.com

ISSUED at Toronto, February 22, 2007

ONTARIO ENERGY BOARD

Original signed by

Peter H. O'Dell
Assistant Board Secretary

APPENDIX A

TO THE NOTICE OF APPLICATION AND HEARING

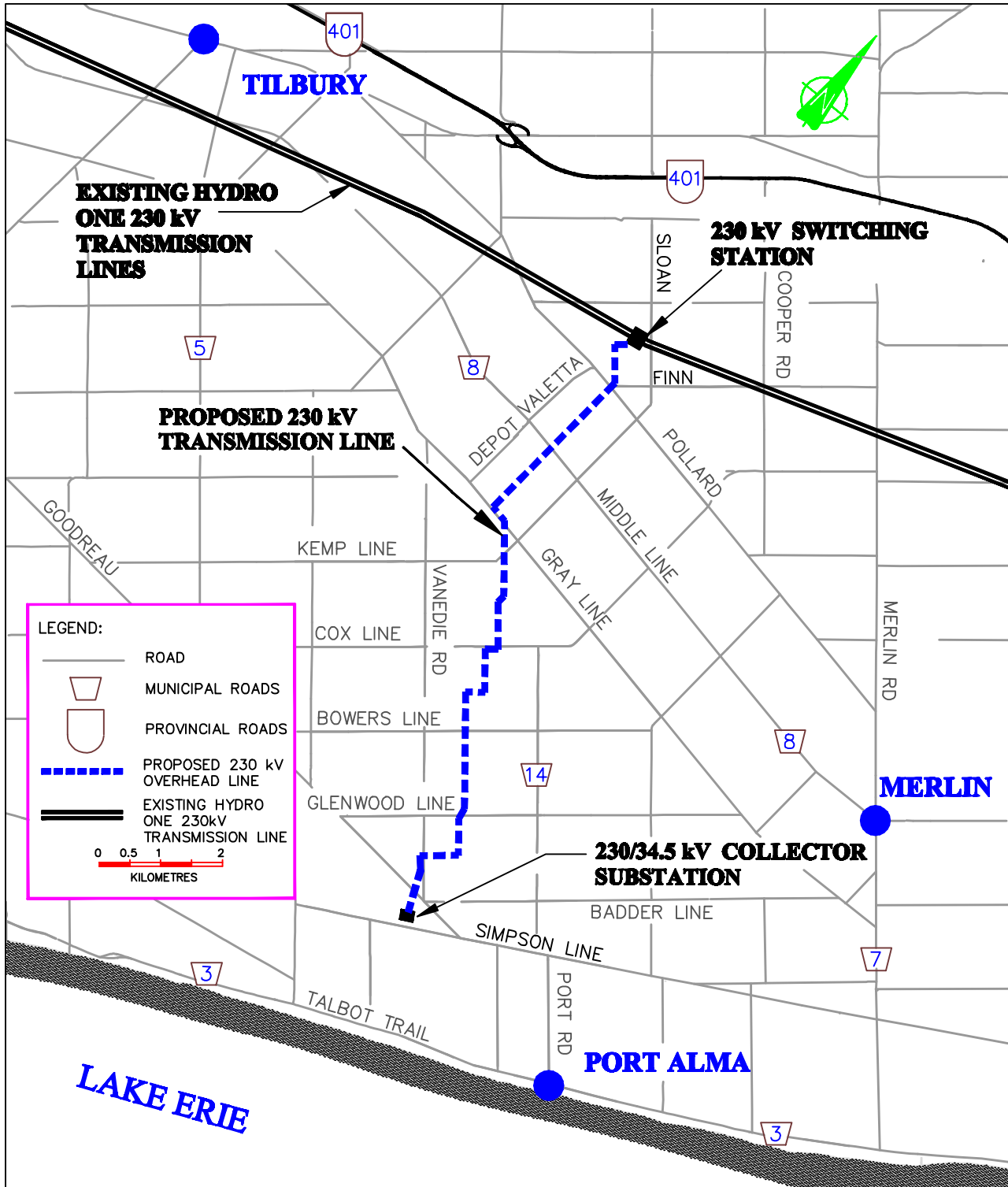
Map

**Kruger Energy Port Alma LP
Proposed 230 kV Transmission Line**

DATED

February 22, 2007

Kruger Energy Port Alma LP Proposed 230 kV Transmission Line



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ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15 (Sched. B);

AND IN THE MATTER OF an application by Kruger Energy Port Alma Limited Partnership for an Order or Orders pursuant to section 92 of the *Ontario Energy Board Act, 1998* granting leave to construct transmission facilities approximately 6 km west of the Town of Merlin in the Municipality of Chatham-Kent.

APPLICATION

1. The Applicant is Kruger Energy Port Alma Limited Partnership (“KEPA”). Kruger Inc. (“Kruger”) is a major pulp and paper company which manufactures newsprint, specialty grades, lightweight coated paper, directory paper, tissue, recycled linerboard, corrugated containers, lumber and wood products. Scott Paper Limited, a member of Kruger is the leading tissue manufacturer in Canada. Kruger has operations in Quebec, Ontario, Alberta, British Columbia, Newfoundland and Labrador, the United States and the United Kingdom and employs over 10,000 people. In March 2004, Kruger created a new business group, now known as Kruger Energy Inc. to ensure growth in the energy sector. Kruger created KEPA in order to participate in the Ontario Government’s June 2005 Request for Proposal for renewable energy. KEPA was a successful proponent in that RFP and is soon going to commence construction of a wind farm and associated works.

2. The Applicant hereby applies to the Ontario Energy Board (the “Board”) pursuant to section 92 of the *Ontario Energy Board Act, 1998* (the “Act”) for an order or orders granting leave to construct:
 - (i) a new transformer substation to be located near the Town of Merlin, Ontario that consists of two 34.5/230 kV transformers, capacitor banks, switchgear and protection and metering (the “KEPA TS”);

- 1 (ii) a 12 km 230 kV overhead transmission line from the KEPA TS and injected into
2 Hydro One's 230 kV circuit, C24Z or C23Z about 24 km west of Chatham
3 between the Chatham TS and the Lauzon TS; and
- 4 (iii) a switching station "KEPA Junction Station" at the connection point with Hydro
5 One's C23Z and C24Z circuits which will be the termination of the transmission
6 line.
- 7 3. The facilities described in paragraph 2 are collectively referred to herein as the "Project"
8 and are the subject of this Application. KEPA has included a map of the Project as part
9 of the Applicant's supporting evidence at Exhibit B, Tab 3.
- 10 4. The Applicant was a successful proponent in the Government of Ontario's *Request For*
11 *Proposals for 1000 MW of Renewable Energy* dated June 17, 2005 ("Renewables RFP
12 II"). As such, the Applicant has entered into a 20-year renewable energy supply contract
13 with the Ontario Power Authority to supply electricity from a proposed 101.2 MW wind
14 farm in the community of Chatham-Kent on the north shore of Lake Erie in the wards of
15 South and West Kent (former townships of Romney, Tilbury East and Raleigh) (the
16 "KEPA Wind Farm").
- 17 5. The impetus for this Application is to construct the Project in order to connect the KEPA
18 Wind Farm to the Independent Electricity System Operator ("IESO")-controlled grid.
- 19 6. The Applicant plans to locate the proposed 12 km 230 kV transmission line (the
20 "Transmission Line") within private lands along property boundaries.
- 21 7. In designing the proposed route, care has been taken to minimize the route length and to
22 avoid sensitive environmental features.
- 23 8. The Applicant has secured the necessary lands and land rights for the Project from
24 approximately 88% of the affected owners. The Applicant is in the final stages of
25 negotiations with the remaining owners to secure the necessary land and land rights. The

- 1 landowners affected by this Application are listed in Schedule “A” attached to this
2 Application.
- 3 9. The IESO has prepared a draft System Impact Assessment Report (the “SIA Report”) for
4 the KEPA Wind Farm and Project dated October 30, 2006, a copy of which has been
5 filed in support of this Application. The final report is expected in January, 2007.
- 6 10. Hydro One Networks Inc. (“Hydro One”) has prepared a preliminary Customer Impact
7 Assessment (“Preliminary CIA”) for the KEPA Wind Farm and Project. The final
8 Customer Impact Assessment is scheduled to be completed by Hydro One in early
9 January, 2007.
- 10 11. An Environmental Screening Report (“ESR”) has been undertaken for the KEPA Wind
11 Farm and the Project. The ESR was made available for a 30-day public comment period
12 on January 5, 2007. A copy of this ESR is provided along with this Application.
- 13 12. The Project costs will be borne by the Applicant. Some protection-side upgrades will
14 need to be made at the Hydro One interconnection. KEPA confirms that such
15 enhancements, to the extent they are as a result of the Project, will be paid for by the
16 Applicant. Therefore, KEPA does not expect that the Project will have an impact on
17 transmission rates in Ontario.
- 18 13. This Application will be supported by written evidence that will include details of the
19 Project. The written evidence will be pre-filed and may be amended from time to time,
20 prior to the Board’s final decision on this Application.
- 21 14. The Applicant submits that the Project is in the public interest as that is defined in the Act
22 and asks the Board for leave to construct.
- 23 15. The Applicant requests that, pursuant to Section 34 of the Board’s *Rules of Practice and*
24 *Procedure*, this proceeding be conducted by way of written hearing.

1 16. The Applicant requests that a copy of all documents filed with the Board in this
2 proceeding be served on the Applicant and the Applicant's counsel, as follows:

3 (a) The Applicant:

4 Kruger Energy Port Alma Limited Partnership
5 3285 Chemin Bedford
6 Montreal, Quebec, H3S 1G5
7

8 Attention: Guy J. Paquette
9 Director of Legal Affairs
10 Telephone: (514) 343-3247
11 Fax: (514) 343-3124
12 Email: gpaquette@kruger.com

13 (b) The Applicant's Counsel:

14 Borden Ladner Gervais LLP
15 Scotia Plaza, 40 King Street West
16 Toronto, Ontario
17 M5H 3Y4

18 Attention: Christine E. Long
19 Telephone: (416) 367-6683
20 Fax: (416) 361-2770
21 Email: clong@blgcanada.com

22 DATED at Toronto, Ontario, this 10th day of January, 2007.

**KRUGER ENERGY PORT ALMA LIMITED
PARTNERSHIP**

By its counsel,

Christine E. Long

23

SCHEDULE "A"

AFFECTED LANDOWNERS

SCHEDULE A

EB-2007-0006

Exhibit A

Tab 2

Page 6 of 6

Transmission Line Routing - Lands and Owners

16 Total options required

14 Total signed

	Name	First Name	PIN	Part	Lot	Con
1	Wiper	Kenneth and Louise	00851-0010	Pt	Gore B	2
2	Vanedic Farms Ltd.	Edward Van de Wynckel, Pres	00826-0010 -0005	S Pt	13	14
3	Peltier	Daniel and Janice	00826-0004	NE 1/4	13	14
4	Van de Wynckel	Robert and Maria	00826-0006 (Eastern)	N 1/2	12	14
5	Allen Wills	David and Anna Jane Ernest and Rebecca Ruth	00824-0057, -0058, -0084	SW1/4	11	13
6	Van de Wynckel	Robert and Maria	00824-0054	N1/2	11	13
7	Arleigh A. Smith Enterprises Ltd.*	Arleigh - Pres Gail (no corp. capacity)	00824-0007	Pt S1/2	11,10	12
8	Cook	Neil and Sharon	00824-0006	Pt N 1/2	11, 10	12
9	Haskell*	Ronald Louis	00820-0030	SE 1/4	11	11
10	Armstrong	Kenneth Morley	00820-0013, 0014, 0029, 0031	NPt/SPt	10,11	11,10
11	Cloutier	Richard and Louise	00817-0041	S 1/2	13	SMR
12	F.D. & A. Pollard Farms & Investments Limited*	Don Pollard, President Alan Pollard, Vice- President	00817-0039	E1/2	14	SMR
13	Stacey	Leonard and Clara	00817-0022, -0023	S1/2	14	NMR
14	Estate of Douglas Fletcher Agnus Hamilton Fletcher, Exec	c/o Donald Fletcher	00817-0021	N1/2	14	NMR
15	McGuire	David and Mary	00818-0047, 0048	S1/2	7	8
16	Reid	Robert and Shirley	00818-0113		7	9

* The information contained herein is based on a sub-search of titles on registry.