

November 15, 2002

File: 2002-EX093

Mr. Carmine Marcello
Manager, Transmission System Development
Investment Planning Division
Hydro One Networks Inc.
483 Bay Street
15th Floor - North Tower
Toronto Ontario M5G 2P5

Dear Mr. Marcello:

***Notification of Approval of Connection Proposal
Palmerston TS: Replace Existing 115kV Rod Gaps with Metal Oxide Surge Arresters***

CAA ID Number: 2002-EX093

The IMO has completed a review of your application to replace the existing 115kV rod gaps for the three 110-44-4kV step down transformers T1 to T3 at Palmerston TS with metal oxide gapless surge arresters. The proposal will improve the surge protection of the transformers resulting in better customer supply reliability. We have concluded that the proposal would have no adverse impact on the IMO-controlled grid and that a formal Connection Assessment would not be necessary.

The IMO is therefore pleased to grant approval to complete the proposed installation.

Registration of the proposed changes to the existing facilities will need to be completed through the IMO's 'Facilities Registration' process.

For further information, please contact the undersigned.

Yours truly,

Bob Gibbons
Manager – Long Term Forecasts & Assessments
Tel: 905-855-6482 Fax: 905-855-6129

cc: IMO Records

All information submitted in this process will be used by the IMO solely in support of its obligations under the Electricity Act, 1998, the Ontario Energy Board Act, 1998, the Market Rules and associated policies, standards and procedures and in accordance with its licence. All information submitted will be assigned the appropriate confidentiality level upon receipt.