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August 30, 2018

File 94691

**VIA RESS FILING and COURIER**

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Ms. Kirstin Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27th Floor  
Toronto, Ontario M4P 1E4

Dear Ms. Walli:

**Re: Power Workers Union and Hydro One Networks Inc. – Transmission Line between Thunder Bay and Wawa, Ontario  
EB-2017-0182/EB-2017-0194/EB-2017-0364**

Attached please find the Power Workers' Union Interrogatories to Hydro One Networks' Inc. in connection with the above-noted proceedings. An electronic copy has been filed through the Board's RESS filing system, and two paper copies will follow by courier delivery.

Yours very truly,  
**PALIARE ROLAND ROSENBERG ROTHSTEIN LLP**

  
Richard P. Stephenson  
RPS:pb

Attach.

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(1934 - 2006)

**EB-2017-0182**

**EB-2017-0194**

**EB-2017-0364**

**Hydro One Networks Inc.**

**Application for leave to construct an electricity transmission line**

**between Thunder Bay and Wawa, Ontario**

**Combined Hearing**

**Power Workers' Union Interrogatories to Hydro One Networks Inc.**

Ref: EB-2017-0364, Hydro One letter to Margaret Froh, President of MNO, Dated May 15, 2018

**PWU – 1:**

In the letter, Hydro One responded to a letter from Margaret Froh, President of the Métis Nation of Ontario (MNO) which was addressed to David F. Denison and Mayo Schmidt of Hydro One, in which the MNO complained of a lack of consultation by Hydro One with the MNO. The response includes the following:

**In keeping with its past practices, and with legal obligations, HONI has intended to consult with First Nations and Métis communities about all aspects of its proposal to build the LSL, including economic participation. That has been delayed in its ability to undertake these consultations has been a function first, of the timing of its decision to seek leave to construct the LSL and, second, of the fact that its ability to consult has been limited by a variety of exclusivity and non-disclosure agreements NextBridge has entered into with certain First Nation and Métis communities.**

**Notwithstanding the delay in its ability to embark upon consultations, HONI intends to consult fully with First Nation and Métis communities about all aspects of its proposal, including economic participation.**

- a) Please provide update on the status of Hydro One's accomplishments so far and future plans with respect to consultation with First Nations and Métis communities on aspects of Hydro One's proposed application and economic participation.

**PWU - 2:**

Ref: EB-2017-0364, Undertaking –JT 2.3

In the reference, Hydro One provides a schedule of activities leading to the July 2019 date of individual environmental assessment completion.

- a) Please provide update on activities listed in the table that have been accomplished so far.

**PWU - 3:**

Ref: EB-2017-0364, Undertaking – JT 2.9

In the reference, Hydro One provided a project schedule that updated the original project schedule provided in Exhibit B, Tab 11, Schedule 1, Page 1. The updated schedule includes minor adjustments but assumes that Section 92 approval would be obtained by October 2018.

- a) Is it still Hydro One's position that Section 92 approval could be obtained by October 2018? What would be the impact, if any, on in-service date of a delay in approval by a month or two?

**PWU - 4:**

Ref 1: EB-2017-0364, Exhibit B, Tab 1, Schedule 1, page 2

**Hydro One is proposing to build the Lake Superior Link for \$636.2M with ongoing OM&A costs of \$1.5M.**

Ref 2: EB-2017-0364, Exhibit: JT 2.19, Attachment 2, page 2

**An overview of the proposed solution, along with an initial “not to exceed” price of \$650M, was submitted to the IESO on October 14, 2017 to ensure they understand our commitment and plan for this project, and how it provides a more cost-effective wires solution as they conduct the needs assessment.**

**The largest uncertainty for the proposed approach is centred on the ability for Hydro One to utilize the Environmental Assessment work that has been completed by NextBridge, and we are discussing details with the Ministry of Environment and Climate Change around options.**

Ref 3: EB-2017-0364, Exhibit: JT 2.19, Attachment 3 (Board of Directors Meeting - East West Tie - Approval of Strategic Content for Leave to Construct)

The reference indicates that ‘the Board of Directors approved a capital cost “Not to exceed \$636.1 million” subject to exclusions and conditions mentioned herein, including with regards to environmental approval of its route, and with final project cost to be adjusted following LTC approval by OEB, subject to any change or conditions imposed by OEB.’

- a) Please clarify if the cost estimate in Ref. 1 is based on an assumption that Hydro One would be able to utilize the Environmental Assessment (EA) work that has been completed by NextBridge as indicated in Ref 2? If yes, what would be the cost and schedule impact if Hydro One were required to undertake its own individual EA? Would Hydro One go ahead with the construction of the EWT line

at the cost of “Not to exceed \$636 million” should Hydro One fail to obtain permission to utilize NextBridge’s EA work?

- b) Is Hydro One still in discussion with the MOECC with respect to Hydro One’s ability to utilize NextBridge’s EA work?
- c) Please explain the reason why the “Not to exceed \$650 million” capital cost estimate that was sent to the IESO in October 2017 (Ref 2) was reduced to “Not to exceed \$636.1 million” cost estimate that was approved by Board of Directors one month later, i.e., December 2017 (Ref 3)

**PWU - 5:**

Ref: Addendum to 2017 Updated Assessment for the Need for the East-West Tie Expansion

- a) In Hydro One’s view, are the assumptions and findings of the IESO with respect to the reliability impacts and the projected system costs of a delay to the in-service date of the E-W Tie expansion beyond 2020 presented in the Addendum reasonable? If not, please identify and discuss the assumptions and findings of the IESO that Hydro One finds to be unreasonable.

**PWU - 6:**

Ref: Addendum to 2017 Updated Assessment for the Need for the East-West Tie Expansion, Page 5

**Table 2 Summary of Potential Cost of Delay to In-Service Date (2020-2024)**

Year	Potential Capacity Cost (2017\$ millions)	Energy Cost (2017\$ millions)	Foregone Loss Savings (2017\$ millions)	Total Potential Cost of Delay (2017\$ millions)
2020	\$16	\$0.5	\$0.7	\$17
2021	\$18	\$0.5	\$0.7	\$19
2022	\$22	\$0.5	\$0.7	\$23
2023	\$38	\$0.6	\$0.7	\$39
2024	\$44	\$0.6	\$0.7	\$45

- a) Taking into consideration the total potential cost of delay each year provided by the IESO, what is the total net savings of Hydro One’s proposed project compared with NextBridge’s?
- b) How much of a delay to Hydro One’s project schedule would result in no net savings of Hydro One’s project over NextBridge?
- c) When should construction start to achieve each of the in-service dates listed in Table 2 above?

**PWU - 7:**

Ref: Ref: Addendum to 2017 Updated Assessment for the Need for the East-West Tie Expansion, Page 6

The IESO continues to recommend an in-service date of 2020 for the E-W Tie Expansion. If a delay is to be incurred, relying on interim measures will result in additional risks to reliability and increased costs. In this case, the IESO does not support delaying the in-service date of the East-West Tie Expansion beyond the end of 2022 as the increased risks to system reliability and the associated cost uncertainties are unacceptable.

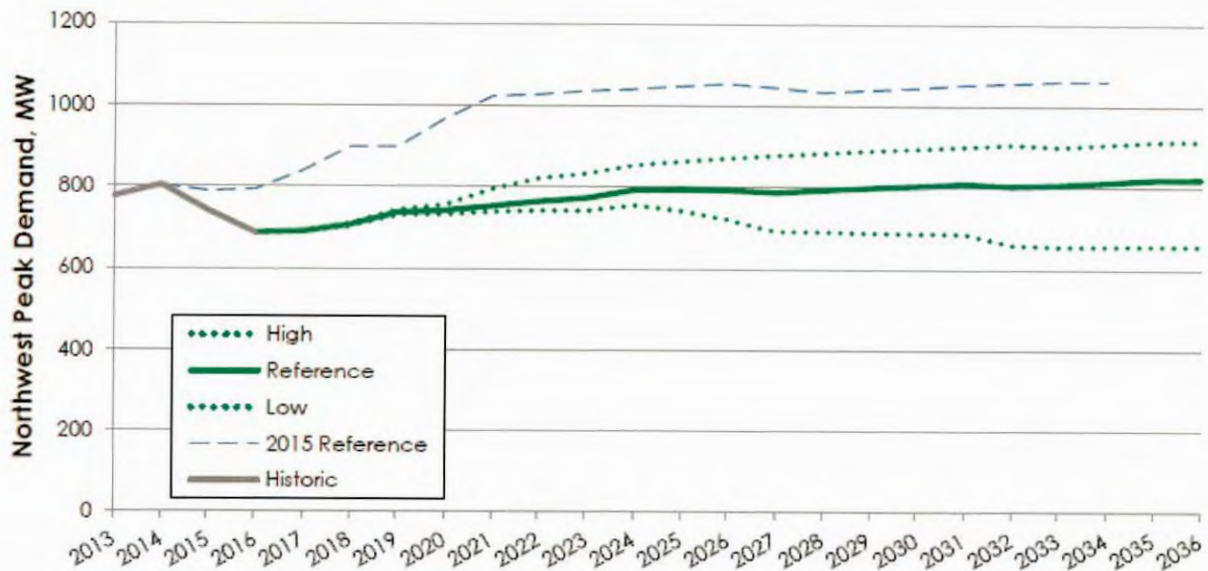
- a) From Hydro One’s perspective, what are the potential reliability impacts of delaying the project?

- b) What, if anything, can Hydro One do to minimize the impact on reliability?
- c) Does Hydro One agree that the risks to system reliability of delay beyond 2022 are “unacceptable”?

**PWU - 8:**

Ref: Updated Assessment of the Need for the East-West Tie Expansion (December 1, 2017), Page 11

Figure 2. Northwest Net Peak Demand Outlooks



- a) Does Hydro One independently forecast consumption and/or peak demand for the Northwest region for its transmission or distribution activities?
- b) Is the IESO's forecast peak demand for the region consistent with Hydro One's independent forecasts or general expectations?