

**Ontario Energy
Board**

P.O. Box 2319
2300 Yonge Street
27th Floor
Toronto ON M4P 1E4
Telephone: 416-481-1967
Facsimile: 416-440-7656
Toll free: 1-888-632-6273

**Commission de l'énergie
de l'Ontario**

C.P. 2319
2300, rue Yonge
27^e étage
Toronto ON M4P 1E4
Téléphone: 416-481-1967
Télécopieur: 416-440-7656
Numéro sans frais: 1-888-632-6273



Delivery via Email

October 3, 2018

The Honourable Greg Rickford, P.C.
Minister of Energy, Northern Development and Mines
4th Floor, Hearst Block
900 Bay Street
Toronto, ON M7A 2E1

Dear Minister Rickford,

Thank you for your letter dated October 2, 2018 with respect to the East-West Tie transmission line leave to construct applications filed by NextBridge and Hydro One. The Ontario Energy Board (OEB) understands the imperative of this energy solution for Northern Ontario residents and businesses and is proceeding in a timely manner to complete its review and make its final determination.

As you are aware, the OEB issued a Procedural Order on August 13, 2018 that makes provision for a combined hearing of the two applications and establishes a schedule for the efficient and timely completion of the combined hearing. The hearing into these applications has commenced. The Procedural Order sets out the close of record on November 7, 2018. Typically, the Panel would issue its decision within 60 days of this date. This would result in the OEB decision being rendered before other Provincial regulatory approvals are issued.

Since the case to which you refer is currently a live proceeding, with an assigned panel of Board members, the OEB is placing your letter on the record of the proceeding.

The OEB is an independent and impartial public agency. The OEB provides fair and efficient regulatory processes by ensuring that regulatory processes are sufficiently streamlined to allow for timely Board decisions. We make decisions that serve the

public interest. Our goal is to promote a financially viable and efficient energy sector that provides customers with reliable energy services at a reasonable cost.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Rosemarie T. Leclair". The signature is fluid and cursive, with a large initial "R" and "L".

Rosemarie T. Leclair
Chair and Chief Executive Officer

Enclosure: Procedural Order No. 1 on Combined Hearing



EB-2017-0182
EB-2017-0194
EB-2017-0364

**Upper Canada Transmission Inc. (on behalf of
NextBridge Infrastructure)
Application for leave to construct an electricity
transmission line between Thunder Bay and Wawa, Ontario**

- and -

**Hydro One Networks Inc.
Application to upgrade existing transmission station facilities
in the Districts of Thunder Bay and Algoma, Ontario**

-and-

**Hydro One Networks Inc.
Application for leave to construct an electricity transmission line
between Thunder Bay and Wawa, Ontario**

PROCEDURAL ORDER NO. 1 on COMBINED HEARING

August 13, 2018

In 2011, the Minister of Energy expressed the government's interest in the Ontario Energy Board (OEB) undertaking a designation process for selecting the most qualified and cost-effective transmission company to develop a transmission line to meet the need of maintaining long-term system reliability in Northwest Ontario, commonly referred to as the East-West Tie line (EWT line).

The OEB undertook a designation process to select a transmitter to carry out development work for the EWT line, and in August 2013, the OEB designated Upper Canada Transmission Inc. operating as NextBridge Infrastructure LP (NextBridge) as the electricity transmitter to complete development work for the EWT.

In September 2014, the former Ontario Power Authority, now the Independent Electricity System Operator (IESO), wrote to the OEB proposing a delay of the in-service date for the EWT line from 2018 to 2020. As a result of this development, NextBridge adjusted its timelines for the project.

On March 2, 2016, the Lieutenant Governor in Council made Order-in-Council 326/2016 (Priority Project OIC) under section 96.1 of the *Ontario Energy Board Act, 1998* (OEB Act). The Priority Project OIC declared the expansion or reinforcement of the electricity transmission network in the area between Wawa and Thunder Bay to be needed as a priority project.

On July 31, 2017, NextBridge filed with the OEB an application for leave to construct the EWT line (NextBridge-EWT Application).¹ In that application, NextBridge estimated the cost to construct the EWT line at \$737 million and proposed an in-service date of December 2020. Also on July 31, 2017, Hydro One Networks Inc. (Hydro One) filed with the OEB an application for leave to upgrade certain transmission facilities to connect to the EWT line (Hydro One-Station Upgrades Application).²

On August 4, 2017, the Minister of Energy wrote to the IESO requesting that it prepare an updated needs assessment for the EWT line given the updated cost estimates provided by NextBridge in the NextBridge-EWT Application.

On October 17, 2017, the OEB issued a Notice of Hearing for the NextBridge-EWT Application and the Hydro One-Station Upgrades Application. The OEB's consideration of these two applications is on-going, with a number of procedural steps having been taken including a written interrogatory process, a technical conference to clarify the evidentiary record, and an oral hearing of the development costs claimed by NextBridge.

On December 1, 2017, the IESO provided the Minister of Energy with an updated needs assessment (Updated Needs Assessment), which continued to recommend the construction of the EWT line over other options.

On February 15, 2018, Hydro One filed an application with the OEB seeking leave to construct a transmission line between the same two points as the NextBridge-EWT Application, which it refers to as the Lake Superior Link Project (Hydro One-LSL

¹ This application has been assigned OEB File No. EB-2017-0182.

² This application has been assigned OEB File No. EB-2017-0194.

Application).³ The Hydro One-LSL Application estimates that the construction costs for the line would be more than \$100 million lower than the construction costs estimated in the NextBridge-EWT Application. The Hydro One-LSL Application proposes to have the Lake Superior Link Project in service by the end of 2021.

On February 27, 2018, NextBridge filed a motion (NextBridge Motion) with the OEB asking that the Hydro One-LSL Application be dismissed, or in the alternative, not be processed because it is not complete or compliant with OEB Filing Requirements.

On April 6, 2018, the OEB issued a Notice of Hearing of Motion setting out the process for hearing the NextBridge Motion. Through the Notice and two subsequent Procedural Orders, a number of parties were granted intervenor status on the NextBridge Motion and provision was made for the filing of evidence by the parties, a transcribed technical conference to test the evidence, and the hearing of submissions on the NextBridge Motion.

On June 4 and 5, 2018, an oral hearing of the NextBridge Motion took place before the OEB.

On July 19, 2018, the OEB issued a decision dismissing the NextBridge Motion.

At the OEB's request, the IESO filed with the OEB an Addendum to its Updated Needs Assessment that speaks to the impacts of a delay to the in-service date for the proposed transmission line between Thunder Bay and Wawa.

On August 9, 2018, the OEB issued a Notice of Hearing for the Hydro One-LSL Application. Service and publication of the Notice of Hearing are proceeding, and the period for requesting intervenor status in the Hydro One-LSL Application will close on September 4, 2018.

While awaiting any intervention requests that may be received on the Hydro One-LSL Application, the OEB considers it expedient at this time to set out the procedural steps for hearing the NextBridge-EWT Application, the Hydro One-Station Upgrades Application, and the Hydro One-LSL Application.

Both NextBridge and Hydro One want to build the transmission line between Wawa and Thunder Bay. The OEB must decide which applicant will be granted leave to construct based upon the criteria set out in section 96(2) of the OEB Act. The most efficient

³ This application has been assigned OEB File No. EB-2017-0364.

manner to make that determination is to have the leave to construct applications heard together. The OEB has therefore decided pursuant to section 21(5) of the OEB Act that the NextBridge-EWT Application, the Hydro One-Station Upgrades Application, and the Hydro One-LSL Application will be heard together as a combined hearing (Combined Hearing). This Procedural Order provides a detailed schedule to ensure that the Combined Hearing will proceed in a timely manner.

The OEB accepts as intervenors in the Combined Hearing all intervenors in the NextBridge-EWT Application and the Hydro One-Station Upgrades Application, as well as intervenors in the hearing of the NextBridge Motion (existing intervenors).

In accordance with section 21(6.1) of the OEB Act, all evidence filed to date in the proceedings on the NextBridge-EWT Application, the Hydro One-Station Upgrades Application, and the Hydro One-LSL Application (including evidence filed in respect of the NextBridge Motion) will form part of the evidentiary record of the Combined Hearing.

It is necessary to make provision for the following matters related to this proceeding. The OEB may issue further procedural orders from time to time.

IT IS THEREFORE ORDERED THAT:

1. OEB staff and existing intervenors may request any relevant information and material from Hydro One in respect of the Hydro One-LSL Application, by written interrogatories filed with the OEB and served on all parties by **August 30, 2018**.
2. New intervenors approved for the Combined Hearing may request any relevant information and material from Hydro One in respect of the Hydro One-LSL Application, by written interrogatories filed with the OEB and served on all parties by **September 12, 2018**.
3. OEB staff and all intervenors may request any relevant information and material from the IESO in respect of the Addendum to the Updated Needs Assessment, by written interrogatories filed with the OEB and served on all parties by **September 12, 2018**.
4. Hydro One and the IESO shall file with the OEB complete written responses to their respective interrogatories and serve them on all parties by **September 24, 2018**.

5. A combined oral hearing for the NextBridge-EWT Application⁴, the Hydro One-Station Upgrades Application, and the Hydro One-LSL Application will begin on **October 2, 2018 at 11:00 am** in the OEB's hearing room at 2300 Yonge Street, 25th Floor, Toronto. The oral hearing will, if necessary, continue on **October 4, 9, 11 and 12, 2018 starting at 9:30 am**.
6. For all three applications, NextBridge and Hydro One shall each file one argument-in-chief with the OEB and deliver it to all other parties by **October 22, 2018**.
7. OEB staff and intervenors may each file one submission on the three applications by filing it with the OEB and delivering it to all other parties by **October 31, 2018**.
8. NextBridge and Hydro One may each file one reply submission on the three applications by filing it with the OEB and delivering it to all other parties by **November 7, 2018**.

All filings to the OEB must quote the file number **EB-2017-0182/EB-2017-0194/EB-2017-0364**, be made in searchable /unrestricted PDF format electronically through the OEB's web portal at <https://www.pes.ontarioenergyboard.ca/eservice/>. Two paper copies must also be filed at the OEB's address provided below. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <http://www.oeb.ca/Industry>. If the web portal is not available parties may email their documents to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

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.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Zora Crnojacki at Zora.Crnojacki@oeb.ca and OEB Counsel, Lawren Murray at Lawren.Murray@oeb.ca.

⁴ This does not include the development costs of NextBridge which were subject to an earlier oral hearing in July 2018.

ADDRESS

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

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

DATED at Toronto, August 13, 2018

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary