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November 7, 2019

Jonathan Myers
Torys LLP
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Dear Mr. Myers:

**Re: Wataynikaneyap Power LP (WPLP)
Application for Leave to Construct Transmission Facilities
First Semi-Annual Report, October 2019
Ontario Energy Board File Number EB-2018-0190**

The Ontario Energy Board (OEB) is in receipt of the first semi-annual report filed by WPLP on October 15, 2019, regarding the CWIP account and backup supply arrangements related to its project to construct new transmission lines and associated facilities in Northwestern Ontario. The report was filed pursuant to the reporting requirements set out in the OEB's decision and order¹ that was issued in the above-noted proceeding.

In the report, WPLP noted that it has selected a contractor for its Engineering, Procurement and Construction (EPC) contract. Now that the EPC contracting process is complete, WPLP has been able to update and refine its capital cost estimates.

OEB staff notes that, in advance of any significant construction activity, WPLP reports that the estimated total project cost has increased by \$240 million or roughly 15% as compared to the costs forecast in its leave to construct application.

Consistent with the OEB's normal practice with respect to cost overruns, the prudence of WPLP's capital expenses will be carefully considered in WPLP's inaugural rate case. As indicated in the conditions of approval set out in the OEB's decision and order on WPLP's leave to construct application, in its inaugural rate case WPLP will need to provide detailed evidence on any capital cost increases beyond the budget filed in its application for leave to construct.

¹ EB-2018-0190, Decision and Order, issued April 1, 2019 (Revised April 29, 2019)

Please note that all semi-annual reports filed by WPLP in this matter, and any correspondence related to them, are posted on the OEB's website under the EB-2018-0190 file number.

Yours truly,

Original signed by

Nancy Marconi
Manager, Generation & Transmission Applications