



EB-2013-0421

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

AND IN THE MATTER OF an application by Hydro One Networks Inc. for an order or orders pursuant to section 92 of the *Ontario Energy Board Act, 1998* (as amended) granting leave to construct transmission line facilities in the Windsor-Essex Region, Ontario.

PROCEDURAL ORDER NO. 6
June 22, 2015

Hydro One Networks Inc. (Hydro One) applied to the Ontario Energy Board (the OEB) for an order granting leave to construct approximately 13 kilometers of transmission line in the Windsor-Essex area and to install optic ground wire on existing and new towers as part of the Supply to Essex County Transmission Reinforcement project (SECTR Project). The Application was filed on January 22, 2014, under s. 92 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, Schedule B (the Act). Pursuant to Procedural Order No. 3, Hydro One filed an updated application on February 12, 2015, which also included the approvals sought for the associated Leamington Transformer Station (TS) arising out of the decision on threshold questions issued by the OEB on December 16, 2014. The OEB decided that the proceeding would be addressed in two phases. Phase 1 would deal with the leave to construct application, including consideration of the component and total costs of the project, but would not address the cost allocation issues. Phase 2 of the proceeding would deal with the cost allocation.

The OEB has determined that it will proceed to make a determination on Phase 1 of the proceeding without awaiting the outcome of Phase 2.

Although the OEB's original intent was to issue both decisions together, a number of factors have caused the OEB to reconsider. In particular, the technical conference has exposed the breadth and complexity of the Phase 2 issues before the OEB. Hydro

One's application assumed that the entire application would be approved by June 2015, and that the project could then be completed and in service by March 2018. The application was filed in early 2014, and the OEB does not wish to unduly delay the consideration of the need for the project given the stated reliability concerns the project is intended to address.

The OEB has therefore determined that it is best to consider the need for the project (i.e. Phase 1) now rather than later. The cost allocation matters being considered in Phase 2 are not determinative of the need for the project; if Phase 1 is approved these matters can be dealt with as the necessary facilities are being put in place.

The OEB has already heard the evidence and received final argument for Phase 1. However, there is one issue that the OEB would like Hydro One to address more fully. In response to E3 Coalition's interrogatory #19, Hydro One revealed that, in addition to the transmission costs for the proposed Leamington TS, there would be a further \$19.3M of distribution level costs required to bring this transformer station into service. In undertaking response JT 1.10, Hydro One further explained that there were also approximately \$10M in distribution level costs associated with the Division TS alternative (which is the chief alternative to the proposed project). The OEB understands that these costs were not specifically considered when Hydro One conducted its "alternatives" analysis. The OEB would like Hydro One to file a submission describing what changes, if any, the inclusion of these additional distribution level costs would have on its determination of Leamington TS as the preferred alternative. After receiving this submission, the OEB will decide what further procedural steps, if any, are required.

The OEB considers it necessary to make provision for the following procedural matters. The OEB may issue further procedural orders from time to time.

THE OEB ORDERS THAT:

1. Hydro One shall file with the OEB a submission describing what changes, if any, the inclusion of the \$19.3M in costs would have on its determination of the preferred alternative, and copy all parties by **June 29, 2015**.

All filings to the OEB must quote the file number, EB-2013-0421, be made electronically in searchable / unrestricted PDF format through the OEB's web portal at <https://www.pes.ontarioenergyboard.ca/eservice/>. Two paper copies must also be filed.

Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Please use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at www.ontarioenergyboard.ca. If the web portal is not available you may email your document to the address below.

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.

ADDRESS

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
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Attention: Board Secretary

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Tel: 1-888-632-6273 (toll free)
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DATED at Toronto, June 22, 2015

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary