

Hydro One Networks Inc.

7th Floor, South Tower
483 Bay Street
Toronto, Ontario M5G 2P5
www.HydroOne.com

Tel: (416) 345-5393
Fax: (416) 345-6833
Joanne.Richardson@HydroOne.com



Joanne Richardson

Director – Major Projects and Partnerships
Regulatory Affairs

BY COURIER

March 8, 2018

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Walli:

EB-2018-0098 – Hydro One Networks Inc.'s Section 92 - Kapuskasing Area Reinforcement Project – Updated Application

Please find attached two copies of Hydro One Networks Inc.'s ("Hydro One") Application and Evidence in support of an Application pursuant to Section 92 of the Ontario Energy Board Act ("the Act") for an Order or Orders granting leave to upgrade existing transmission line facilities in the Kapuskasing area ("the KAR Project").

Hydro One is writing to the Board to also request approval, pursuant to Section 97 of the Act, for the land agreements for temporary construction rights that may be required for the duration of the construction period of the KAR Project. The form of these agreements have already been included in the evidence on record and are consistent with agreements previously approved by the Ontario Energy Board in previous Hydro One leave to construct applications. Consequently, the Application, Exhibit B, Tab 1, Schedule 1, has been updated to reflect this additional request while the evidence in support of the Application remains entirely unchanged.

An electronic copy of this updated Application and supporting evidence has been filed through the Ontario Energy Board's Regulatory Electronic Submission System (RESS).

Sincerely,

ORIGINAL SIGNED BY JOANNE RICHARDSON

Joanne Richardson

Att./ Updated Exhibit B, Tab 1, Schedule 1

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*;

AND IN THE MATTER OF an Application by Hydro One Networks Inc. pursuant to s. 92 of the *Act* for an Order or Orders granting leave to upgrade existing transmission line facilities ("**Kapuskasing Area Reinforcement Project**" or "**KAR Project**") in the municipalities of Kapuskasing, Moonbeam, Fauquier-Strickland, and Smooth Rock Falls.

And in the matter of an Application by Hydro One Networks Inc. pursuant to s. 97 of the *Act* for an Order granting approval of the forms of the agreement offered or to be offered to affected landowners

APPLICATION

1. The Applicant is Hydro One Networks Inc. ("**Hydro One**"), a subsidiary of Hydro One Inc. The Applicant is an Ontario corporation with its head office in the City of Toronto. Hydro One carries on the business, among other things, of owning and operating transmission facilities within Ontario.
2. Hydro One hereby applies to the Ontario Energy Board (the "**Board**") pursuant to s. 92 of the *Ontario Energy Board Act, 1998* (the "**Act**") for an Order or Orders granting leave to upgrade 32 kilometres of transmission line facilities in the Kapuskasing area and associated station facilities. These facilities are required to ensure that the area continues to receive a safe and reliable supply of electricity. Documentation from the IESO outlining the need for upgrading the facilities has been provided as **Exhibit B, Tab 3, Schedule 1, Attachment 1**.
3. The proposed KAR Project will upgrade the 32km of 115 kV circuit ("**H9K**") between Spruce Falls Junction ("**JCT**") to Carmichael Falls JCT, and the corresponding station facilities at Kapuskasing Transmission Station ("**TS**"). An

1 overview map of this area is provided in **Exhibit B, Tab 2, Schedule 1,**
2 **Attachment 1** as well as **Exhibit C, Tab 2, Schedule 1** and a schematic diagram of
3 the Project can be found at **Exhibit B, Tab 2, Schedule 1, Figure 1.**

4 The proposed in-service date for the KAR Project is the end of October 2019,
5 assuming a construction commencement date of October 2018. A project
6 schedule is provided at **Exhibit B, Tab 11, Schedule 1.**

7 4. The Project will continue to utilize the existing corridor. As a result, the
8 transmission facilities upgrade will not require any new permanent property
9 rights. Temporary construction rights for access or staging areas may be
10 required for the duration of the construction period of the KAR Project. Further
11 information on land related matter is found at **Exhibit E, Tab 1, Schedule 1.**

12 5. The Independent Electricity System Operator has outlined the need for the 32km
13 of the Project between Spruce Falls Junction (“JCT”) to Carmichael Falls JCT. This
14 document is provided as **Exhibit B, Tab 3, Schedule 1, Attachment 1.**
15 Accordingly, this Project has been identified as a non-discretionary development
16 project in **Exhibit B, Tab 4, Schedule 1.**

17 6. The IESO has also provided an expedited and final System Impact Assessment
18 (“SIA”). The SIA concludes that the Project is expected to have no material
19 adverse impact on the reliability of the integrated power system and
20 recommends that a *Notification of Conditional Approval for Connection* be
21 issued. The IESO’s Notification of Conditional Approval is provided as **Exhibit F,**
22 **Tab 1, Schedule 1, Attachment 1** and the SIA is provided as **Exhibit F, Tab 1,**
23 **Schedule 1, Attachment 2** of Hydro One’s prefiled evidence.

24 7. Hydro One has completed a final Customer Impact Assessment (“CIA”) in
25 accordance with Hydro One’s connection procedures. The results confirm that
26 there will be no impacts on area customers as a result of the KAR Project. A copy
27 of the CIA is provided as **Exhibit G, Tab 1, Schedule 1.**

- 1 8. The total cost of the transmission line facilities for which Hydro One is seeking
2 approval is approximately \$15.1 million. The details pertaining to these costs are
3 provided at **Exhibit B, Tab 7, Schedule 1, Table 1.**
- 4 9. Coincident with the transmission line upgrade, work will also be carried out at
5 Kapuskasing TS to install a 10 Mvar capacitor bank and reactor. The
6 transmission-related cost of the station work is estimated to be approximately
7 \$6 million. The need for these station facilities is further discussed in **Exhibit B,**
8 **Tab 3, Schedule 1, Attachment 1.**
- 9 10. Project economics, as filed in **Exhibit B, Tab 9, Schedule 1,** show that the KAR
10 Project will result in no impact (\$0.00/kw/month) in the network connection pool
11 rate and no impact (0.00%) on the overall average Ontario consumer's electricity
12 bill.
- 13 11. This Application is also for approval of the forms of the agreement offered or to
14 be offered to affected landowners, pursuant to s. 97 of the Act. The agreements
15 are in the same form as previously approved in prior Hydro One Networks leave
16 to construct proceedings. The agreements can be found as attachments to
17 **Exhibit E, Tab 1, Schedule 1.**
- 18 12. The Application is supported by written evidence which includes details of the
19 Applicant's proposal for the transmission line and station work. The written
20 evidence is prefiled and may be amended from time to time prior to the Board's
21 final decision on this Application.
- 22 13. Given the information provided in the prefiled evidence, Hydro One submits that
23 the Project is in the public interest. The Project meets the need of the
24 transmission system and improves quality of service and reliability with minimal
25 impact on price.
- 26 14. Hydro One is requesting a written hearing for this proceeding. Hydro One
27 requests that a decision on this Application is provided by August 30, 2018 to
28 meet the needs of the system operator.

15. Hydro One requests that a copy of all documents filed with the Board be served on the Applicant and the Applicant's counsel, as follows:

a) The Applicant:

Eryn MacKinnon
Sr. Regulatory Coordinator
Hydro One Networks Inc.

Mailing Address:

7th Floor, South Tower
483 Bay Street
Toronto, Ontario M5G 2P5

Telephone: (416) 345-4479

Fax: (416) 345-5866

Electronic access: regulatory@HydroOne.com

b) The Applicant's counsel:

Michael Engelberg
Assistant General Counsel
Hydro One Networks Inc.

Mailing Address:

8th Floor, South Tower
483 Bay Street
Toronto, Ontario
M5G 2P5

Telephone: (416) 345-6305

Fax: (416) 345-6972

Electronic access: mengelberg@HydroOne.com