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Ontario

BY E-MAIL

August 30, 2018

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

Re: Hydro One Networks Inc.
Application for Leave to Construct Lake Superior Link Project
OEB File Number No.: EB-2017-0364 (combined with EB-2017-0182 and EB-2017-0194)

In accordance with Procedural Order No. 1 and 2 on Combined Hearing, dated August 13, 2018, and August 27, 2018, respectively, please find attached OEB staff interrogatories in the above combined proceeding. The attached document has been forwarded to the applicant and to all other registered parties to the combined proceeding.

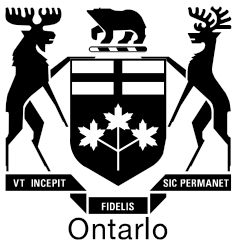
Yours truly,

Original Signed By

Zora Crnojacki
Project Advisor
Supply and Infrastructure

Attachment

cc: Parties to EB-2017-0364, EB-2017-0182 and EB-2017-0194



OEB Staff Interrogatories

Hydro One Networks Inc.

Application for Leave to Construct Lake Superior Link Project

EB-2017-0364
(Combined with EB-2017-0182 and EB-2017-0194)

August 30, 2018

HONI LSL-Combined-Staff-1
Ref: EB-2017-0364 Evidence, Hydro One's Application filed on February 15, 2018, Exhibit B, Tab 5, Schedule 1, Page 1

Further to the options proposed in EB-2011-0140, Hydro One also considered a High Temperature, Low Sag (HTLS) conductor alternative. Conceptual engineering was performed to ascertain whether the required power transfer could be achieved by re-conductoring the existing East-West Tie line with a HTLS conductor. The findings of the study indicated that the solution was viable both functionally and commercially. However, this solution did not meet the IESO's requirements concerning bulk power transfer, while respecting the reliability requirements of the NERC TPL-001 standard.

Questions:

a) What specific IESO requirements does the re-conductoring option not meet concerning bulk transfer capability? Does this specific option meet transfer capabilities below 450 MW?
b) What specific reliability requirements of the NERC TPL-001 does re-conductoring not meet? Does this specific option meet transfer capabilities below 450 MW?
c) If the re-conductoring did meet both the IESO and NERC TPL-001 requirements, would Hydro One have considered re-conductoring the entire existing East-West Tie line in whole or part?
d) Would re-conductoring provide the transfer capability of up to 450 MW and meet all applicable NERC and NPCC requirements? If yes, would the installation of new local generation of approximately 200 MW provide the balance of the power requirements to the Northwest area over the planning horizon under consideration?
e) If re-conductoring in part or whole was in fact a viable option, what would the impact be on:
    i. The estimated capital cost of the project, including station costs
    ii. Routing and land requirements
    iii. Environmental approvals outside and inside Pukaskwa National Park
    iv. Public Consultations
    v. Indigenous consultations and participation, and
    vi. Construction schedule and planned in-service date.
f) If re-conductoring in part or whole was in fact a viable option, would any structures have to be replaced?

HONI LSL-Combined-Staff-2
Ref: EB-2017-0364 Evidence, Technical Conference on Nextbridge's Motion on Hydro One's Lake Superior Link Application, Transcript Pages 254-255.

MR. ZACHER: Fair enough. The second question I wanted to ask -- I'm not sure if this is for you, but I wanted to ask about the two week outage that Hydro One forecasts taking in August of 2020, and this is to replace the 87 towers in the park. And so the first is how did Hydro One forecast two weeks to get that work done?

MR. KARUNAKARAN: So it was done through consultation with us and SNC-Lavalin and their construction methodologies that we were going to use for the replacement of those towers.

MR. ZACHER: I'm going to betray my ignorance of construction, but 87 towers in two weeks, and you are also upgrading the foundations at the same time; is that right?

MR. KARUNAKARAN: So there is a lot of preparatory work that gets done prior to the actual outage being taken, right. The anchors and so forth for the guy wires and so on are all installed.
The assembly works of the actual structures and so forth are done in off-site fly yards, and so hence I said there's a lot of preparatory work that gets done in advance, right.
Under the actual outage itself, the activities are really to drop the conductor, for lack of better terms, fill the old towers, remove them with the helicopter, install the new towers in location, prep up on the guys and wait them within the existing conductors.

MR. ZACHER: And I think Mr. Henderson had asked questions earlier, and indicated there is no road access. So this is all access by helicopter.

MR. KARUNAKARAN: That is correct.

MR. ZACHER: So is there any sort of reference points or historic examples that you can sort of point to doing this sort of work in the -- over the course of two weeks?

MR. KARUNAKARAN: We've engaged with a number of the actual field construction staff that we would be utilizing for this in determining the schedule, and they have direct experience of -- when we've done projects, say, in Alberta and the like where comparable construction rates have been utilized with respect to production rates.

Questions:

a) Has Hydro One ever constructed 87 230 kV quad (or double circuit) towers of similar design within a span of two weeks in the province of Ontario? If yes, please provide the examples.
b) Will all the required construction work (removal of all existing towers and lines, reinforcement of existing foundations, replacement of existing foundations as required, and erection of new quad towers and stringing of the four transmission circuits and associated communication cables) be completed in the two-week window within the Pukaskwa National Park? Please provide Hydro One's construction and resourcing plans that outline the details of how this aggressive timeline will be met.
c) Has Hydro One taken into account potential weather-related delays for the two-week schedule considering it plans to use helicopters to install the new quad towers? What mitigation plans does Hydro One have to correct for weather-related delays to ensure the overall project remains on schedule?
d) Is the geographical location for the proposed quad towers within the Pukaskwa National Park a major risk factor in Hydro One's ability to meet the in-service timeline? Please explain.
e) If the outage window that Hydro One is proposing to take in August 2020 to install the quad towers within Pukaskwa is missed, when is the next two-week window? What impact would this type of delay have on Hydro One's ability to meet its proposed in-service date in 2021?
f) Have there been any communications between the IESO and Hydro One regarding the proposed two-week outage? If so, has the IESO agreed to Hydro One's proposed two-week outage, in principal? Please provide details of any discussions/communications and copies of all correspondence between Hydro One and the IESO with respect to this matter.
g) What happens if Hydro One's proposed work takes longer than two weeks?

HONI LSL-Combined-Staff-3
Ref: EB-2017-0364 Evidence, Technical Conference on NextBridge's Motion on Hydro One's Lake Superior Link Application, Transcript Page 258.

UNDERTAKING JT 2.29
Hydro One is to advise what is the point at which field construction work must be postponed to the following year.

Response to JT 2.29
To be able to maintain the December 2021 completion date, construction work must begin no later than January 13, 2020.

Question:

a) Please provide the date on which field construction would be postponed to following year because of project delays for:
   i. Quadruple tower construction within Pukaskwa National Park, and
   ii. Transmission tower construction outside the Pukaskwa National Park.

HONI LSL-Combined-Staff-4
Ref: EB-2017-0364 Evidence, Hydro One's Application filed on February 15, 2018, Exhibit F, Tab 1, Schedule 1, Attachment 3, IESO SIA, March 18, 2018, Page 2, Findings, Paragraph 7 and Page 13, section 4.1 Standards and Criteria

Extreme contingencies that result in the loss of the four 230 kV circuits of the East-West Tie such as failure of a quadruple circuit tower can result in separation between the Northwest transmission zone and the rest of the IESO-controlled grid. Following such events, timely system restoration is critical to avoid the risk of supply shortages to the customers in the zone.

The Northwest zone is prone to thunderstorms from April 1st to October 31st. If there is a credible risk of four circuits tripping during those thunderstorms, especially those sharing the same towers, the IESO will need to posture the system to withstand the loss of all four circuits by either reducing the transfer pre-contingency or by arming load rejection. The updated NW SPS 2, as proposed by the connection applicant, does not provide features for detecting extreme contingencies involving more than 2 circuits. Arming for two double-contingencies in preparation for the loss of the four circuits may be acceptable, but could result in unnecessary load disconnection if a double contingency occurs.

In response to OEB staff's question at the Technical Conference on May 17, 2018 found on page 272 regarding restoration times within the Puskaskwa National Park for extreme contingencies; Mr. Young of Hydro One confirmed that there had never been a loss of both circuits in 50 years.

Questions:

a) What has been Hydro One's experience to date with respect to restoration times for the Ontario's North and Northwest?
b) What has been Hydro One's experience with respect to restoration times for the existing East-West Tie line within 50 km of either side of the park for extreme contingency events in the past?

c) What has been the frequency of these events in the past, especially during both thunderstorm and ice storm seasons, impacting
    i. the Ontario's North and Northwest,
    ii. the existing East-West Tie line within 50 km outside the park boundaries.
d) Has Hydro One quantified the dollar impact in the event of an extreme contingency within the park involving, e.g. one day outage involving only minor structural repair, multi day outage involving tower and line repair or replacement?
e) Has Hydro One completed a cost benefit analysis that weighs the cost savings of going through the Puskaskwa National Park versus the cost of an extreme contingency event occurring over the planning horizon that the IESO has used for the Lake Superior Link project?
f) Has Hydro One quantified the dollar impact of potential thunderstorm strikes, ice build ups, wind storms that would trip more than two circuits located on the quadruple towers within Puskaskwa National Park?
g) What is the average yearly frequency of trips for the existing East-West Time line for the past 10 years and how does this compare to the estimated frequency that Hydro One anticipates for section of the proposed line within Puskaskwa National Park?

HONI LSL-Combined-Staff-5
Ref: EB-2017-0364 Evidence, Hydro One's Application filed on February 15, 2018, Exhibit B, Tab 1, Schedule 1, Page 12

Hydro One requests that a decision on this its application be rendered by October 2018.

Questions:

a) Does Hydro One need a decision by October 2018 to meet its proposed December 2021 in-service date? If not, when does Hydro One need a decision from the OEB? Please explain and identify critical path items in Hydro One's project scheduling and planning.
b) What requirements (approvals, permits etc.) does Hydro One need to satisfy before it can start construction, if Hydro One is selected to build the new East-West Tie line?

HONI LSL-Combined-Staff-6
Ref: EB-2017-0364 Evidence, Hydro One's Application filed on February 15, 2018, Exhibit B, Tab 11, Schedule 1, Page 1

Hydro One projects an in-service date of December 2021.

Questions:

a) Hydro One is projecting that it will complete construction of its proposal in 38 months; from OEB approval to the in-service date.
   i. Please provide a list of transmission projects that Hydro One has completed within a comparable timeline in the past 10 years.
b) If approved, will Hydro One require internal resources to be re-allocated to ensure that it meets the proposed project timeline?
c) If Hydro One schedule falls behind, what corrective measures will Hydro One take to bring the project back on track?

HONI LSL-Combined-Staff-7
Ref: EB-2017-0364 Evidence, Addendum to the 2017 Updated Assessment for the Need for the East-West Tie Expansion, Reliability Impacts and the Projected System Costs of a Delay to the Project In-Service Date, June 29, 2018 (prepared by the IESO)

In the Conclusion section, the IESO continues to recommend an in-service date of 2020 for the East-West Tie Expansion. The IESO provides that its recommended in-service date is based on applicable planning and reliability criteria to ensure the reliability needs in the Northwest are met and to avoid the additional risks and associated costs of not having expanded transmission capability between the Northwest and Southern Ontario.

Questions:

a) Has the IESO's update in any way impacted Hydro One's proposed project or ability to construct in the timeline that it is proposing? If so, please explain how and provide details.
b) What potential issues in Hydro One's proposal could potentially result in Hydro One's in-service date being delayed past the end of 2022?

HONI LSL-Combined-Staff-8
Ref: EB-2017-0364 Evidence, Hydro One's Application filed on February 15, 2018, Exhibit B, Tab 7, Schedule 2, Page 2
Incremental Maintenance Costs

Hydro One provides that its existing maintenance programs will be leveraged to perform maintenance on the Lake Superior Link line. The expected maintenance costs of both Hydro One's existing corridor widened to accommodate the Lake Superior Link and new Dorion corridor have been compared and are provided below for reference purposes.

Table 1		
Right-of-Way (ROW) Type	**Maintenance Program**	**Average Annual Cost ($000s)**
Hydro One's Existing EWT	Vegetation Maintenance	$442
	Overhead Lines Maintenance	$285
	Average Annual Cost	$727
Widened EWT and Dorion ROW – Inclusive of LSL	Vegetation Maintenance	$782
	Overhead Lines Maintenance	$562
	Average Annual Cost	$1,344
Incremental Annual Maintenance Cost- Widened Corridor for Lake Superior Link		**$617**

Maintenance activities, such as patrols on the existing East-West Tie line and the new Lake Superior Link line, will be bundled to improve productivity and reduce mobilization costs. Additionally, the new line will be designed and constructed to meet Hydro One's standards, which will minimize total life cycle cost. All components of the Lake Superior Link project are expected to last more than 50 years. As such, this line does not require component condition assessments for the first 50 years.

Questions:

a) How does Hydro One's forecasted operation and maintenance costs for the Lake Superior Link line compare to that of other Hydro One lines in
   i. Northern and Northwestern Ontario,
   ii. other parts of the province.
b) What have been the annual (i) operations costs; (ii) maintenance costs (broken down into vegetation and overhead line categories); and (iii) administration costs for the existing East-West Tie line for each of the last five years.
c) Please provide a table that compares these circuit costs to the estimated incremental costs for the proposed new Lake Superior Link line on a per km basis.

d) Please show how the estimated vegetation maintenance and overhead lines maintenance costs for the "Widened EWT and Dorion ROW" in Table 1 were calculated and any assumptions on which those numbers are based.
e) Can Hydro One confirm whether its current operation and maintenance practices will be utilized for the purpose of maintaining the Lake Superior Link line?

HONI LSL-Combined-Staff-9
Ref: EB-2017-0364 Evidence, Hydro One's Application filed on February 15, 2018, Exhibit B, Tab 7, Schedule 2, Pages 1-4
Incremental Operating and Administrative Costs

Hydro One states that incremental operating costs for the Lake Superior Link project are estimated to be $647,000 annually by Hydro One. These are the costs of controlling and monitoring the equipment directly associated with these four new 230 kV transmission lines that are located within the three Hydro One-owned transformer stations. The assets defined for the purposes of this proposal are the four new 230 kV transmission lines (W35M, W36M, M37L, and M38L) from the first structure just outside of the three Hydro One-owned transformer stations (Wawa, Marathon and Lakehead TS).

Hydro One's forecast of the Operational, Maintenance and Administrative (OM&A) costs related to the Lake Superior Link project is $1.5 million per year. Hydro One explained the incremental costs for their maintenance program in the widened corridor and in the Dorion right-of-way and estimated that these incremental costs are $617,000 on average per year. In addition to incremental maintenance costs, Hydro one allocated approximately $235,000 for administrative costs and other unforeseen expenditures related to the Lake Superior Link project.

Questions:

a) What is the project's estimated average total operating costs per year? Please explain how Hydro One calculated the estimated incremental operating cost of $647,000.
b) Please provide the annual operating cost for the three Hydro One-owned stations for each of the last five years and comment on the estimated increase allocated for each station.
c) Please provide the annual operating costs for other comparable 230 kV lines and stations in Northern Ontario.
d) What would be the impact, if any, on the estimated operating cost of the three stations, if NextBridge's application is approved instead of Hydro One's Lake Superior Link project?

e) Please explain how Hydro One calculated the estimated incremental administrative cost of $235,000. How did Hydro One assure itself that this allocation is reasonable?
f) Please provide a breakdown of the operational costs itemized per services listed in the evidence on Exhibit B, Tab 7, Schedule 2, page 3, lines 18-27.
g) Please describe the measures, in addition to those discussed in the evidence, to manage the risk associated with:
    i. Maintenance costs
    ii. Operational costs
    iii. Administrative costs

HONI LSL-Combined-Staff-10
Ref: EB-2017-0364 Evidence, Hydro One Undertaking Response JT2.21
Hydro One's Construction Cost Estimates

In response to undertaking JT2.21 filed on May 25, 2018, Hydro One provided construction cost estimates for the route using the same cost categories as in Table 2 of NextBridge's response to CCC #8. In its undertaking response, Hydro One provided explanations for cost variances where in Hydro One's view the variances were substantial.

Questions:

a) With respect to costs of materials and equipment, Hydro One's estimate is approximately 34% lower than NextBridge's. Please specify and explain the cost reduction driven by each of the following factors:
    i. Optimized tower design
    ii. Shorter length of the line
    iii. Global purchasing power
    iv. Any other factors
b) Please advise as to how Hydro One calculated the materials and equipment cost of approximately $58 million and any assumptions on which that calculation was based?
    i. Is any portion of the $58 million amount part of the proposed fixed price EPC contract with SNC-Lavalin? If so, how much?
c) With respect to the "Land Rights" cost category, Hydro One's estimate is significantly lower than that of NextBridge. Please explain:
    i. In detail how Hydro One calculated a land rights cost that is only 41% of the estimate provided by NextBridge?
    ii. Why the estimated costs of the Land Rights do not vary whether Hydro One goes through or around Puskaskwa National Park? Are there not additional land rights costs that would be incurred if Hydro One has to go around the Park?

iii. What are the "instruments" that Hydro One is considering in acquiring land rights? What are the cost associated with each of these instruments?
iv. What is the basis for Hydro One's belief that it will reach "voluntary settlements" with the vast majority of property owners?
v. What are the total estimated costs associated with voluntary settlements?
vi. What are the total estimated land rights acquisition costs for the properties where voluntary agreements could not be reached?
vii. What is Hydro One's timing in acquiring land rights?

d) Hydro One allocated over $18 million to the First Nation and Métis Participation cost category. Hydro One noted that this funding was accounted for in the Site Clearing, Preparation & Site Remediation cost category in Exhibit B, Tab 7, Schedule 1, Table 3 and that the funds have been redistributed for the purpose of comparison in response to JT2.21.
   i. Please identify and define categories of economic participation included in First Nation and Métis Participation and dis-aggregate and itemize the total estimated cost of $18,450,000 shown in response to JT.2.21.
   ii. Please explain the rationale for accounting for the First Nation and Métis Participation costs in the Site Clearing, Preparation and Remediation cost category in Exhibit B, Tab 7, Schedule 1, Table 3.
   iii. Are there any potential participation costs that are not included in the $18 million amount? If so, please explain what they are?

e) Hydro One's estimated costs for Site Clearing and Access are 38% lower than NextBridge's. Hydro One noted that the variance is due to a much smaller environmental footprint.
   i. Please explain why this is the case and how Hydro One's estimates were calculated.
   ii. Please explain why the site clearing costs are substantially lower than NextBridge's even for the HONI-NextBridge "Bypass" Route?

f) Hydro One's contingency is about $10.8 million and is exclusive of $54 million of risk and contingency in the fixed-price EPC contract.
   i. What are the risks categories covered by the $10.8 million contingency?
   ii. What are the risks categories covered by the $54 million contingency in the EPC contract?
   iii. What are the risks that are not covered by the $10.8 million contingency?
   iv. What are the risks that are not covered by the $54 million contingency?

HONI LSL-Combined-Staff-11
Ref: EB-2017-0364 Evidence, Hydro One's Application filed on February 15, 2018, Exhibit B, Tab 7, Schedule 1, Page 1 and 3
Hydro One's Development Cost Estimates

Hydro One stated that the development costs are estimated at approximately $12.2 million and that the forecast is based on an October 2018 approval date.

Questions:

a) Please provide an updated development cost estimate in the event that OEB approval is received by end of November, or December 2018, respectively.
b) Please elaborate how the response in part (a) would change Hydro One's overall project budget and completion date.
c) Does Hydro One have monthly or quarterly development cost estimates including major components? If so, please provide those current estimates.

HONI LSL-Combined-Staff-12
Ref: EB-2017-0364 Evidence, Hydro One's Application filed on February 15, 2018, Exhibit B, Tab 7, Schedule 1, Page 3
Hydro One's Development Cost Estimates

Hydro One submitted that the development costs of approximately $12.2 million should be eligible for recovery in rate base, if Hydro One is selected to construct the new line.

Questions:

a) Is Hydro One prepared to absorb the cost variances above $12.2 million in the event that the development costs rise over the $12.2 million forecast? Please explain.
b) Using the categories of development costs in "Table 2: Development Costs" in the evidence (Exhibit B, Tab 7, Schedule 1, Page 3), please provide the actual development costs incurred by Hydro One to date.
c) To the extent that actual development costs for any category exceed the amount that Hydro One anticipated that it would have incurred to this point, please explain the reason for each exceedance and steps that Hydro One has taken to mitigate each cost exceedance.
d) Given Hydro One was not the designated proponent at the time of the designation, please explain why in Hydro One's view, ratepayers should pay for any development costs incurred by Hydro One, if Hydro One is ultimately selected by the OEB to build the line.

HONI LSL-Combined-Staff-13
Ref: EB-2017-0364 Evidence, Hydro One's Application filed on February 15, 2018, Exhibit B, Tab 7, Schedule 1, Page 10, Lines 9 to 11

Hydro One in its evidence indicated that it made no contingencies for certain unlikely events and that reasonable price adjustments would be submitted to the OEB for prudence review only after all other resources have been exhausted. Among the unlikely events, Hydro One identified significant changes in costs of materials, commodity rates and/or exchange rates post-October 2018. Hydro One noted that the dollar amount subject to these risks is less than 8% of total project costs.

Questions:

a) Please comment on how likely it is that recent U.S. steel tariffs will significantly impact the estimated costs of materials for the line construction. What is the estimated dollar amount of an increase, if applicable?
b) Have any of the potential risks identified in Hydro One's LTC applications become more likely to occur, since the filing of its Lake Superior Link application? If yes, please identify those risks and potential costs, should these risks materialize.
c) Has Hydro One found that the contingencies for the project need to be revised, since the application was filed? If so, please describe the costs according to appropriate categories and provide the reasons for any changes.

HONI LSL-Combined-Staff-14
Ref: EB-2017-0364 Evidence, Hydro One's Application filed on February 15, 2018, Exhibit C, Tab 1, Schedule 2
Status of Environmental Assessment and Parks Canada Approval

Hydro One states that the Lake Superior Link project is subject to an Individual Environmental Assessment (EA) under Part II of the *Environmental Assessment Act*.

Hydro One also states that it has engaged in preliminary discussions regarding the Lake Superior Link route with Parks Canada, who in Hydro One's view, currently have no objections to Hydro One's proposed route through the Pukaskwa National Park, and have agreed to work with Hydro One on environmental impact mitigation and approvals moving forward.

Questions:

a) What is the current status of Hydro One's EA approval? Please thoroughly explain.
b) Has Hydro One's plans with respect to its EA approval changed since the filing of the Lake Superior Link application? If so, please explain.
c) With respect to its EA approval,
    i. Is Hydro One still pursuing a declaratory order or an exemption regulation from the Ministry of Environment, Conservation and Parks (formerly, Ministry of Environment and Climate Change)?
    ii. What happens if Hydro One fails to get either a declaratory order or an exemption regulation? In that case, what happens to Hydro One's Lake Superior Link project's in-service date?
    iii. Does Hydro One require the disclosure of NextBridge's non-public EA documents in order to pursue these options?
d) Please provide all correspondence Hydro One has had with the Ministry of Environment, Conservation and Parks (formerly, Ministry of Environment and Climate Change) since May 2018.
e) With respect to Hydro One's letter to the Ministry of Environment, Conservation and Parks (formerly, Ministry of Environment and Climate Change), dated June 27, 2018:
    i. Please advise whether Hydro One has received a response or had further discussion with the Ministry.
    ii. Please advise if the issues raised in that letter is expected to have any impact on the timelines or budget for either
        - Hydro One's stations upgrade application (i.e. EB-2017-0194), or
        - Hydro One's Lake Superior Link line application (i.e. EB-2017-0364)
f) When does Hydro One anticipate to meet its obligations under the EA Act and receive EA approval from the Ministry of Environment, Conservation and Parks?
g) What are the risks involved in Hydro One's EA approval process, given Hydro One's approach in relying upon NextBridge's EA approval. Please explain how Hydro One intends to mitigate these risks.
h) Please provide the best and the worst possible scenarios with respect to Hydro One's EA approval process and provide timelines and costs associated with each scenario.
i) If Hydro One is unable to use any of NextBridge's EA work or get a declaratory order or an exemption regulation,
    i. Please explain the impacts on the Lake Superior Link project in terms of budget and any delay of the in-service date.
    ii. Would Hydro One seek to have ratepayers cover these costs?
j) How does any delay in NextBridge's EA process affect Hydro One's EA process?
k) Has Hydro One's budgeted cost for its EA process changed since February 2018? If so, please provide new estimates and the rationale for the increase (or decrease).

l) Which approval is more critical to Hydro One's overall project schedule; the OEB's Leave to Construct (LTC) or the Ministry of Environment, Conservation and Parks' EA approval?
m) What percentage of total project budget has Hydro One spent to date on its EA approval process?
n) Can Hydro One confirm that it only plans to rely upon publicly filed documents related to NextBridge's EA and does not require NextBridge to provide to it further EA-related documents or studies that are not publicly available?
o) How has Hydro One satisfied itself that there are no legal impediments to relying upon NextBridge's publicly filed EA documents as part of Hydro One's EA approval?
p) What is the current status of Hydro One's Parks Canada approval? Please thoroughly explain with reference to the Parks Canada schedule that was filed as part of NextBridge's Motion proceeding (Response to Undertaking JT 2.5).
q) Please provide any further correspondence/minutes related to discussions between Parks Canada (or any other federal government department) and Hydro One about the route through Pukaskwa National Park that have not already been filed on the record in this proceeding.

HONI LSL-Combined-Staff-15
Ref: EB-2017-0364 Evidence, Hydro One's Application filed on February 15, 2018, Exhibit B, Tab 1, Schedule 1 and Exhibit H, Tab 1, Schedule 1
Status of Indigenous Consultation and Participation

In Exhibit B, Tab 1, Schedule 1 of its application Hydro One requests that upon approval of its application, the OEB allow Hydro One a minimum of 45 days to negotiate any necessary agreements with Indigenous communities.

Questions:

a) Please provide a status update on all Indigenous consultation and participation efforts Hydro One has been involved with to date (related to the Lake Superior Link project) and provide any documents pertaining to discussions with participating parties, including minutes of meetings.
b) Has Hydro One already commenced consultation now with all identified Indigenous communities? If not, when does it intend to carry out these consultations?
c) How did Hydro One determine that 45 days was a reasonable length of time to negotiate agreements with Indigenous communities?
d) Please explain in detail Hydro One's plans for consultation with Indigenous communities to ensure that duty to consult requirements are met?

e) On page 13 of Hydro One's May 4, 2018 Additional Evidence, Hydro One states that it will offer a 34% equity ownership to BLP First Nations. Does Hydro One intend to provide participation opportunities to all affected First Nations and Métis communities? If not, why not?
f) Is Hydro One in receipt of any letters of support from Indigenous communities with respect to the Lake Superior Link project? If yes, please provide those letters.
g) Is Hydro One aware of any other Indigenous communities (other than the ones who intervened in the Motion proceeding) who oppose Hydro One's Lake Superior Link project? If yes, please provide details.
h) Has Hydro One reached agreements with any Indigenous communities yet? If yes, is Hydro One prepared to file copies of those agreements? If not, what is Hydro One's timeline to reach agreements?
i) In Exhibit H, Tab 1, Schedule 1, Hydro One states that:

> By a letter dated November 7, 2017, Hydro One sought direction from the Crown (Ministry of Energy) regarding the scope of Indigenous consultation on the Lake Superior Link Project. Hydro One has not yet received a response from the Ministry of Energy.

   i. Has Hydro One received a response from the Ministry of Energy?
   ii. Has there been any other correspondence with the Ministry of Energy or any other government ministry (or federal government department) regarding Indigenous consultations?
   iii. Please file all correspondence between Hydro One and provincial government ministries or federal government departments regarding Indigenous consultation related to Hydro One's Lake Superior Link project.

j) Has the 2016 Memorandum of Understanding between Hydro One and the Ministry of Energy (regarding the delegation of the duty to consult) been amended to include Hydro One's Lake Superior Link project? If yes, when and if not, why not?
k) Hydro One, in Exhibit H, Tab 1, Schedule 1, Page 4 of 5, states that:

> Hydro One will be hosting its second First Nations engagement session on February 21, 2018 in Chippewas of Rama First Nation and has invited elected officials from the 88 First Nation communities Hydro One serves.

   i. Please elaborate on Hydro One's achievements as a result of this meeting and advise how this can help meet the duty to consult Indigenous communities in this particular case.
   ii. What are Hydro One's Indigenous participation plans (both economic and non-economic)? How does Hydro One plan to execute these plans? Please thoroughly explain.

l) The First Nations and Métis consultation costs included in the Lake Superior Link project application ($1.133 million in construction plus $1.101 million in development phase) are significantly less than the First Nations and Métis consultation costs of NextBridge.
   i. Can you please explain why Hydro One believes these estimates are reasonable? Please explain why Hydro One believe it can complete First Nations and Métis consultation for so much less costs.

HONI LSL-Combined-Staff-16
Ref: EB-2017-0364 Evidence, Hydro One's Application filed on February 15, 2018, Exhibit H, Tab 1, Schedule 2
Status of non-Indigenous Consultation

Questions:

a) Please provide a status update on all non-Indigenous consultation efforts Hydro One has been involved with to date and provide any documents pertaining to discussions with participating parties, including minutes of meetings related to the Lake Superior Link project.
b) What are Hydro One's plans for its consultation with non-Indigenous communities?
c) In Exhibit H, Tab 1, Schedule 2, Hydro One says it "would envision utilizing a full slate of communication and consultation methods across the entire study area to inform, engage and solicit feedback on the proposed Project".
   i. Please elaborate on these methods and provide timelines and specific groups each method will be applied to.
   ii. Does Hydro One plan to host any open houses in communities to discuss the Lake Superior Link project? If so, when and where are these planned for? If not, why not?
d) Is Hydro One in receipt of any letters of support from non-Indigenous communities with respect to the Lake Superior Link project? If yes, please provide those letters.
e) Is Hydro One in receipt of any letters of opposition from non-Indigenous communities with respect to the Lake Superior Link project? If yes, please provide those letters.

HONI LSL-Combined-Staff-17
Ref: IESO's Addendum to the 2017 Updated Assessment for the Need for the East-West Tie Expansion

The IESO's "Addendum to the 2017 Updated Assessment for the Need for the East-West Tie Expansion" states:

> If the in-service date is delayed beyond 2020, using interim measures to manage the need will result in additional costs and increased risks to system reliability.

The IESO's Addendum then goes on to forecast the potential capital and energy costs, as well as the foregone loss savings, of a delay to the in-service date.

Question:

a) Is Hydro One prepared, if granted LTC approval, to pay the annual system costs associated with a delay beyond the date proposed in its application (i.e. December 2021)? Please explain.

HONI LSL-Combined-Staff-18
Ref: EB-2011-0140, UCT's Application for Designation to Develop the East-West Tie Line, Section 5, Pages 72-74 (filed January 4, 2013)

According to section 96(2) of the *Ontario Energy Board Act*, in an application under section 92, the OEB shall consider the interests of consumers with respect to prices, and the reliability and quality of electricity service, and the promotion of the use of renewable energy sources in a manner consistent with the policies of the Government of Ontario.

Given the public interest mandate that is engaged in LTC applications, OEB staff is interested in exploring potential options with respect to prices and cost certainty.

Hydro One stated in its September 22, 2017 letter to the OEB that "Hydro One is prepared to submit a Leave to Construct application, which will include a not-to-exceed price…".

NextBridge indicated in its designation application that it would assume some risk for the construction cost forecast through performance-based ratemaking. At the time of the designation application, NextBridge planned to present this proposal as part of the LTC process.

Questions:

a) Is Hydro One willing to provide the OEB with a not-to-exceed price for the project? If so, what is that price? If not, please explain.
b) Would Hydro One consider providing the OEB with varying capital costs for the project that reflect different risk sharing proposals between itself and ratepayers? For example,

would Hydro One consider having certain specific risks shared between ratepayers and the utility, other risks absorbed by the utility, and other risks absorbed by the ratepayers, all of which would result in a specific project cost? If yes, please fill in Table 2 with the scenarios Hydro One is willing to provide. If not, please explain.

Table 2 (Please add or remove rows in the table below, as needed)					
Scenario #	Risks borne by the utility	Risks borne by the ratepayer	Risks shared between the utility and ratepayers	Project Cost ($)	Comments
1	• • •	• • •	• • •	$ M	
2	• • •	• • •	• • •	$ M	
3	• • •	• • •	• • •	$ M	
4	• • •	• • •	• • •	$M	

c) Does Hydro One have any other proposals that the OEB might consider implementing in order to ensure the successful proponent brings its project into service in the timeline and cost established in this proceeding?

HONI LSL-Combined-Staff-19
Reporting

Question:

a) What type of reporting does Hydro One feel would be appropriate for the successful proponent, both in terms of content and frequency?

HONI LSL-Combined-Staff-20
Other Approval Conditions

Questions:

a) In Hydro One's view, what other conditions should be placed on the successful proponent?
b) Does Hydro One agree that the successful proponent should be granted LTC approval subject to a condition that the construction commences by a specific date (for example, one year from LTC approval)? If so, what should that time period be in Hydro One's view?

HONI LSL-Combined-Staff-21
Ref: NextBridge July 23, 2018 Report to the OEB
Line Crossings

In its most recent report to the OEB, NextBridge makes reference, among other things, to ongoing engagement with Hydro One regarding line crossings.

Question:

a) Please provide a detailed update of the status of line crossing discussions with NextBridge.