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EB-2017-0364

Exhibit I

Tab 3

Schedule 1

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- 1 Tab 1, Schedule 15 and Exhibit H, Tab 1, Schedule 1 for more information on Hydro One
- 2 Indigenous consultation practices.
- 3
- 4 d) Please refer to Exhibit I, Tab 1, Schedules 11 and 15.

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Tab 3

Schedule 5

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- 1 e) Specifics regarding the use of herbicides on the corridor have not been finalized, as indicated
- 2 above. Ongoing consultation with Indigenous Communities will contribute to the
- 3 development of the Vegetation Management approach to the LSL during construction and
- 4 O&M.

1 **Bamkushwada Limited Partnership Interrogatory # 6**

2
3 **Reference:**

4 EA ToR, Page 78 – “The intent is to allow the additional details developed on the preferred
5 undertaking (i.e. design, operations etc.) to be assessed. It also allows for the evaluation of
6 impact management measures and net effects within the context of a more comprehensive
7 description for the preferred undertaking.”

8
9 **Interrogatory:**

- 10 a) Provide copies of the documents HONI has provided and describe any other communications
11 HONI has made to all 18 potentially affected Indigenous communities setting out the details
12 of the design and operation of the LSL, in particular including the use of helicopters and air
13 support during construction
- 14
- 15 b) Provide all records of the comments made by Indigenous communities in response to the
16 documents and communications referenced in a) above.
- 17
- 18 c) Provide copies of the documents HONI has provided and describe any other communications
19 HONI has made to all 18 potentially affected Indigenous communities setting out the details
20 of the operation and maintenance plans of the LSL, in particular including including the use
21 of herbicides and aerial spray.
- 22
- 23 d) Provide all records of the comments made by Indigenous communities in response to the
24 documents and communications referenced in c) above.

25
26 **Response:**

- 27 a) Please refer to Exhibit I, Tab 1, Schedule 15, Attachments 1 and 2. Specifically regarding
28 design and operation of the LSL, that information has been communicated as part of the ToR
29 process through relevant correspondence and meetings.
- 30
- 31 b) Please refer to part a) and Exhibit I, Tab 1, Schedule 15.
- 32
- 33 c) Please refer to Exhibit I, Tab 3, Schedule 5 and Exhibit I, Tab 1, Schedule 15.
- 34
- 35 d) Please refer to parts a), b) and c).

- 1 • Ministry of Agriculture, Food and Rural Affairs
- 2 • Ministry of Economic Development and Growth
- 3 • Ministry of Education
- 4 • Ministry of the Environment, Conservation and Parks
- 5 • Ministry of Health and Long-Term Care
- 6 • Ministry of Infrastructure
- 7 • Ministry of Municipal Affairs and Housing
- 8 • Ministry of Natural Resources and Forestry
- 9 • Ministry of Energy, Northern Development and Mines
- 10 • Ministry of Tourism, Culture and Sport
- 11 • Ministry of Transportation
- 12 • Ontario Energy Board
- 13 • Ontario Parks, Northwest Zone
- 14 • Ontario Parks, Northeast Zone
- 15 • Ministry of Community Safety and Correctional Services
- 16 • Ontario Power Generation
- 17 • Ontario Provincial Police Nipigon Detachment
- 18 • Ontario Provincial Police Schreiber Detachment
- 19 • Ontario Provincial Police White River Detachment
- 20 • Ontario Provincial Police Wawa Detachment
- 21 • Ontario Provincial Police Marathon Detachment
- 22 • Thunder Bay District Health Unit

23

24 “The regulator” refers to the regulator over the EA process referenced in the ToR, which is
25 MECP.

26

27 b) Monthly updates have not been requested.

Vulnerable Energy Consumers Coalition Interrogatory #1

Reference:

Motion Undertaking JT 2.9

Interrogatory:

Preamble: The following timetable for the LSL project was provided in the Hearing of Motion phase of this proceeding

TASK	START	FINISH
Submit Section 92 Application to OEB		February 2018
Projected Section 92 Approval	February 2018	October 2018
Finalize Execute EPC Contract with SNCL		November 2018
Environment Assessment and Consultation		
Obtain EA Approval from MOECC	January 2018	June July 2019
Ongoing First Nations & Métis Consultation and Consultation with Stakeholders	February 2018	December 2021
Lines Construction Work		
Real Estate Land Acquisition	March 2018	March 2020
Detailed Engineering	April March 2018	July 2019
Tender and Award Procurement	March 2018 January 2019	May 2020 September 2019
Construction	July 2019	November September 2021
Commissioning	October September 2021	December 2021
In Service		December 2021

a) Please confirm this schedule is current or provide the most current estimate of the LSL project timelines.

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- 1 **Response:**
- 2 Please refer to Exhibit I, Tab 1, Schedule 5.

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Exhibit I

Tab 4

Schedule 2

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- 1 c) Please refer to Exhibit I, Tab 1, Schedule 14.
- 2
- 3 d) Please refer to Exhibit I, Tab 1, Schedule 7.

1 **Vulnerable Energy Consumers Coalition Interrogatory #3**

2
3 **Reference:**

4 IESO Addendum to the 2017 Updated Assessment for the Need for the Eat-West Tie Expansion,
5 June 29, 2018 (IESO 2018 Addendum)

6
7 **Interrogatory:**

8 The following is extracted from the above IESO reference:

9
10 The IESO continues to recommend an in-service date of 2020 for the E-W Tie Expansion. If the
11 in-service date is delayed beyond 2020, using interim measures to manage the need will result in
12 additional costs and increased risks to system reliability.

13
14 **Table 1 Projected Cost of the Incremental Capacity Requirements (2020-2024)**

Year	Requirement (MW)	Allowable Load Rejection (MW)	Incremental Requirement (MW)	Projected Cost (2017\$ millions)	Projected Cost Range (2017\$ millions)
2020	239	150	89	\$16	\$7 to 20
2021	251	150	101	\$18	\$8 to 23
2022	272	150	122	\$22	\$9 to 27
2023	360	150	210	\$38	\$16 to 47
2024	394	150	244	\$44	\$19 to 55

15
16 a) If Hydro One is unable to put into service LSL by 2020 does it intend to compensate the
17 IESO/consumers for any incremental capacity costs for in-service delays beyond the
18 year-end 2020?

19
20 b) If not please explain how Hydro One believes the IESO estimated incremental costs
21 based on the current LSL in-service date of December 2021 would be recovered.

22
23 **Response:**

24 a) Please refer to Exhibit I, Tab 1, Schedule 17.

25
26 b) Hydro One expects these costs will be recovered from Ontario ratepayers. As articulated in
27 Exhibit I, Tab 1, Schedule 17 ratepayers will not be negatively impacted in year 2021 should

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Tab 4

Schedule 3

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1 a delay materialize. Once the LSL transmission line is in service, Ontario ratepayers will
2 further benefit greatly from Hydro One's lower cost to construct. Please refer to Exhibit I,
3 Tab 6, Schedule 6, for further information.

- 1 e) If an affiliate relationship is created please confirm that LSL would be subject to the
2 requirements of section 2.3.3 of the Affiliate Relationships Code for Electricity Distributors
3 and Transmitters. If Hydro One believes that the affiliate relationship will be subject to
4 section 2.3.4 of the Code please explain why.
5
- 6 f) If, as indicated in the above response, that an affiliate company will be created please explain
7 how “*Hydro One’s existing maintenance programs will be leveraged to perform maintenance*
8 *on the new Lake Superior Link transmission line*” while adhering to the requirements of the
9 affiliate relationship code.
10
- 11 g) Does Hydro One presently offer any transmission or distribution services to other Ontario
12 utilities?
13

14 **Response:**

- 15 a) Confirmed, as noted in the reference, Hydro One expects to form a partnership which will
16 own the newly constructed Lake Superior Link.
17
- 18 b) These details have not been discussed with any potential partners as Hydro One has been
19 unable to discuss equity participation levels due to exclusivity agreements that NextBridge
20 entered into. Consequently, Hydro One cannot provide any specifics regarding the requested
21 information at this time.
22
- 23 c) The existing EWT Line and the new LSL Line will both share facilities through PNP (i.e.,
24 the existing east-west tie line that is currently owned by Hydro One Networks Inc., and the
25 Lake Superior Link line that is intended to be owned by a Newco or partnership). Although
26 the specifics of the partnership have not been established, one potential scenario would be for
27 Hydro One Networks Inc. to be the Licensee and the Lake Superior Link owners would have
28 a business arrangement to occupy Hydro One’s transmission structures.
29
- 30 d) The deferral account request is in the event that Hydro One is unable to execute a partnership
31 agreement as contemplated in the leave to construct application and effectively maintain
32 100% ownership of the newly construct Lake Superior Link.
33
- 34 e) Hydro One, at this time, believes section 2.3.4. of the Affiliate Relationship Code would
35 apply to this situation. This would be similar to Hydro One’s arrangement with B2M LP.
36 Regardless, any transfer of asset and subsequent revenue requirement would be subject to
37 OEB approval.

- 1 f) This will be done through a service level agreement.
2
3 g) Hydro One, as a transmitter, serves 98% of the province of Ontario and therefore, provides
4 transmission services to many Ontario utilities. If VECC is inquiring about similar affiliate
5 services that are provided, Hydro One cites existing affiliate agreements that exist between
6 Hydro One Networks Inc., B2M LP and/or Hydro One SSM.

Vulnerable Energy Consumers Coalition Interrogatory #5

Reference:

N/A

Interrogatory:

a) Please provide the development costs for the LSL in the following format (NB -for purpose of comparison we have asked the same question of NextBridge)

Development Costs	Total Costs	Incurred to date
Engineering, Design and Procurement		
Permitting and Licensing		
Environmental Approvals		
Regulatory Approvals		
Land Acquisition		
First Nation and Metis Consultation		
Other Consultations		
Interconnection Studies		
Project Management		
Contingency		
Other (Describe)		
Total Development Costs		

1 **Response:**

2 The requested information is provided below:

3

Development Costs	Total Costs	Incurred to date
Engineering, Design and Procurement	2,277	1,277
Permitting and Licensing		
Environmental Approvals	2,181	727
Regulatory Approvals	1,995	253
Land Acquisition	4,267	1,235
First Nation and Metis Consultation	1,101	57
Other Consultations	240	223
Interconnection Studies		
Project Management	154	110
Contingency		
Other (Describe)		520
Total Development Costs	12,215	4,412

4
5 The other category is interest and overhead costs incurred to date. On a budgetary basis, the
6 interest and overhead is included in the individual line items.

Vulnerable Energy Consumers Coalition Interrogatory #6

Reference:

Exhibit B/Tab 7/Schedule 1

Interrogatory:

- a) Please update Table 3 below to show the current estimates of construction costs net of all development costs and in the following format:
 (NB -for purpose of comparison we have asked the same question of NextBridge)

	Original Application Estimate	Current Estimate	ACCE Estimate Level	Expenditures as at July 31, 2018
Construction				
Site Clearing Costs				
Site Remediation Costs				
Materials & Equipment				
Project Management				
Construction Management, Engineering, Design & Procurement				
Real Estate & Property Acquisition costs				
First Nations & Métis Consultations				
First Nations & Metis Participation				
Other Consultations				
Interconnection & Other Studies (Describe)				
Environmental Approval				
Regulatory Costs				
Contingency				
Interest During Construction("IDC")				
Overheads and other allocated costs (describe)				
Other Costs (Describe)				
Total Construction Cost				

Response:

Updated Table 3: Construction Cost¹ is provided down below.

Table 3: Construction Costs (\$000s)				
	Original Application Estimate	Current Estimate	ACCE Estimate Level	Expenditures as at July 31, 2018
Construction	354,030	355,530	3	NA ¹
Site Clearing, Preparation & Site Remediation	104,339	104,339	3	NA ¹
Material	58,713	58,713	3	NA ¹
Project Management	5,802	6,055	3	NA ¹
Other Costs	9,451	9,451	3	NA ¹
Construction Management, Engineering, Design & Procurement	17,828	16,304	3	NA ¹
Real Estate	9,798	10,558	3	NA ¹
First Nations & Métis Consultations	1,133	3,615	3	NA ¹
Environmental Approval	819	2,423	3	NA ¹
Other Consultations	160	30	3	NA ¹
Contingency	10,775	5,401	3	NA ¹
Interest During Construction("IDC")	42,596	43,845	3	NA ¹
Overhead	8,502	8,506	3	NA ¹
Total Construction Cost	623,946	624,852	3	NA ¹

¹ Construction Cost is defined as all cost after receiving LTC approval (Jan 2019)

1 **Vulnerable Energy Consumers Coalition Interrogatory #8**

2
3 **Reference:**

4 Exhibit B, Tab 7, Schedule 1, pg. 9

5
6 **Interrogatory:**

7 Preamble: The evidence states that “*Hydro One is carrying a much smaller contingency (\$10.8*

8 *million) than is typical for a capital project of this size.*”

- 9
- 10 a) What would be the normal contingency used by Hydro One for a project of this size and
- 11 complexity?
- 12
- 13 b) Should Hydro One exceed its contingency allowance will any excess above the \$10.8 million
- 14 be sought for rate recovery or alternatively absorbed by the shareholder?

15
16 **Response:**

- 17 a) For a project of this size and complexity, Hydro One would typically have a contingency
- 18 amount in the order of 10%.

19

20 The referenced \$10.8 million reflects only the portion of contingency that was estimated for

21 the portion of work Hydro One is delivering directly (i.e. Real Estate rights, Indigenous

22 consolation, environmental approval, indirect overheads for corporate services, and interest

23 during construction). In addition to this amount, SNC-Lavalin’s fixed-price EPC contract

24 includes \$54 million of contingency and risk.

25

26 The total project contingency for the Lake Superior Link is in the order of 10%.

- 27
- 28 b) Hydro One’s total project cost in the application has been estimated within a -5% to +6%
- 29 range, and any necessary and realized costs beyond the approved amount would be sought
- 30 for rate recovery and would be subject to prudence review by the OEB.

31

32 Hydro One has also responded to questions regarding not-to-exceed pricing alternatives at

33 Exhibit I, Tab 1, Schedule 18

Vulnerable Energy Consumers Coalition Interrogatory #9

Reference:

Motion Technical Conference Undertaking JT 2.20

In response to an undertaking to show the incremental costs of by-passing Pukaskwa Park Hydro One provided the following table:

Exhibit B/T7/S1 Table 3: Construction Costs (\$000s)	HONIS.92	HONIBv-Pass	Delta
Route Length	403 km	443 km	9.9%
Construction	\$ 354,030	\$ 371,732	5.0%
Site Clearing, Preparation & Site Remediation	\$ 104,339	\$ 116,860	12.0%
Material	\$ 58,713	\$ 64,584	10.0%
Project Management	\$ 5,802	\$ 5,802	0.0%
Other Costs	\$ 9,451	\$ 9,481	0.3%
Construction Management, Engineering, Design & Procurement	\$ 17,828	\$ 18,719	5.0%
Real Estate	\$ 9,798	\$ 9,798	0.0%
First Nations & Métis Consultations	\$ 1,133	\$ 1,627	43.6%
Environmental Approval	\$ 819	\$ 1,819	122.1%
Other Consultations	\$ 160	\$ 160	0.0%
Contingency	\$ 10,775	\$ 10,775	0.0%
Interest During Construction("IDC")	\$ 42,596	\$ 44,838	5.3%
Overhead	\$ 8,502	\$ 8,502	0.0%
Total Construction Cost	\$ 623,946	\$ 664,697	6.5%
Adder to go around Pukaskwa National Park		\$ 40,751	

The following proviso was added to that response:

“Please note that the “By-Pass” costs shown below are Hydro One’s best estimate at this point in time, and the proposed solution has not been detailed to the same level as what was filed as part of the s.92 application.”

Interrogatory:

a) Does the \$40,751,000 estimated cost of following the “NextBridge route” (i.e. Alternative 1) remain Hydro One’s most current forecast of the benefit of not having to by-pass Pukaskwa Park?

1 b) Please provide the ACCE estimate class of this forecast and its components.

2

3 **Response:**

4 a) Yes this value remains the most current forecast.

5

6 b) This portion of the route would be assessed as an AACE Class 4 estimate.

- 1 c) Parks Canada is prepared to proceed with the renewal pending the results of Hydro One's
2 LSL application.
3
- 4 d) Hydro One has not yet determined the finalized business arrangement for the ownership
5 and/or operation of LSL. Therefore, there is no reason at this time to believe that the
6 arrangement will be contrary to the terms of the licence from Parks Canada which, in any
7 event, contains a provision for the licensee to obtain consent to a change of the licensee itself
8 or a change to the ownership of the licensee.

1 **Vulnerable Energy Consumers Coalition Interrogatory #11**

2
3 **Reference:**

4 Exhibit C-01-02 Attachment 2

5
6 **Interrogatory:**

7 a) Please provide Article 8.01 of the current License Agreement with Parks Canada

8
9 **Response:**

10 a) Within the current licence agreement with Parks Canada Article 8.01 is as follows:

11
12 8.01

13 (a) The Licensee shall submit plans and specifications for any construction, additions
14 and alterations to the Land including any Structures for the approval of the Park
15 Manager, in accordance with but not limited to the current development review
16 process, park management plans, community plans, by-laws, guidelines, approvals,
17 requirements, standards, orders, directives, zoning and such other regulations that are
18 applicable to the Land and such other requirements specified by the Park Manager.

19
20 (b) Upon approval by the Park Manager of the plans and specifications mentioned in
21 (a), the Licensee shall obtain all necessary permits, licences and approvals and shall
22 within one (1) year of the date of the issuance of all necessary permits, licences and
23 approvals or such longer period of time as the Park Manager may deem warranted,
24 complete the construction, additions and alterations to the Land and any Structures
25 including the remedying of any deficiencies.

1 **Vulnerable Energy Consumers Coalition Interrogatory #12**

2
3 **Reference:**

4 Exhibit B, Tab 2, Schedule 1

5
6 **Interrogatory:**

- 7 c) Hydro One states that it will install Optical Grown Wire (OPGW) on the proposed LSL.
8 Does Hydro One intend on leasing/renting any “dark fibers” on this line?
9
10 d) If yes, what is the estimated annual revenue for this ancillary service?
11

12 **Response:**

13 c) It is correct that Hydro One intends to install Optical Grown Wire (“OPGW”) on the
14 proposed LSL to provide system reliability and monitoring capability. Communications is an
15 integral part of a modern electricity grid, facilitating protection, monitoring and control for
16 the many components that make up the grid. Hydro One’s transmission grid has long
17 incorporated real time communications, which has been key to maintaining its exemplary
18 stability and reliability. Optical fiber has many advantages over other communication
19 technologies, making it the preferred equipment by most utilities, deployed by Hydro One
20 over most of its transmission network wherever feasible.
21

22 As typically Hydro One needs a limited portion of the capacity of a standard fiber-optic
23 cable, marketing of available excess fiber to various third parties usually takes place
24 following installation on an ad-hoc basis at market prices. Such ancillary revenues collected
25 by Hydro One are applied to reduce the rate base and therefore fully benefit ratepayers.
26 Hydro One recognizes that several communities neighbouring LSL currently experience
27 weak or limited telecom connectivity. Therefore, as the project evolves and as per its
28 standard practice, Hydro One will assist with the possibility of optimizing benefits for
29 communities, including First Nations communities, arising from excess fiber capacity, by
30 leasing the excess fiber to an affiliate, or by granting an IRU (indefeasible right of use) to an
31 affiliate.
32

- 33 d) The estimated potential ancillary revenues associated with marketing of dark fiber have not
34 yet been estimated for LSL. As stated above, any ancillary revenues received by Hydro One
35 will be at market rate and would ultimately reduce the rate base and therefore fully benefit
36 ratepayers.

1 **Vulnerable Energy Consumers Coalition Interrogatory #13**

2
3 **Reference:**

4 Exhibit B, Tab 3, Schedule 1

5
6 **Interrogatory:**

7 a) Hydro One notes that it will be able to upgrade sections of the LSL to increase east-west
8 capability to 650 MW when the need arises. Please contrast this with, and comment on,
9 NextBridge’s proposal and its ability for future expandability. Specifically does Hydro One
10 believe its LSL proposal has better/more economical future expandability than the
11 Nextbridge proposal?

12
13 **Response:**

14 a) Hydro One believes the appropriate reference should be Exhibit B, Tab 4, Schedule 1, which
15 states that “The Lake Superior Link Project will provide 450 MW transfer capability in the
16 interim period, increasing to 650 MW when the need arises”. Achieving this transfer
17 capability does not require “upgrade sections of the LSL” as stated in the above IR. No
18 upgrade to the LSL will be needed and instead, as stated in Exhibit B, Tab 2, Schedule 1 of
19 EB-2017-0194, “to increase the east-west transfer capability to 650 MW, when the need
20 arises, the following facilities and upgrades will be added in the future:

- 21
- 22 • Install a new +200/-100 Mvar Static Var Compensator (SVC), with its step-up
 - 23 transformer (to 230 kV), at Marathon TS;
 - 24 • Upgrade sections of the existing 115 kV circuits A5A and T1M, which together with
 - 25 other circuits form a parallel path to the East West Tie lines, for a continuous summer
 - 26 rating of 500 A (about 100 MVA), . . .”

27
28 This applies equally to the Leave-to-Construct applications of both Hydro One and
29 NextBridge.

1 **School Energy Coalition Interrogatory # 4**

2
3 **Reference:**

4 N/A

5
6 **Interrogatory:**

7 Please provide a full project schedule including all major activities, and required regulatory
8 approvals, based on assumed leave to construct decision date of January 1, 2019.

9
10 **Response:**

11 Please refer to Exhibit I, Tab 1, Schedule 5.

School Energy Coalition Interrogatory # 5

Reference:

N/A

Interrogatory:

Please provide a similar schedule as requested in SEC-HONI-4, which includes a decision by Parks Canada that Hydro One cannot go through Pukaskwa National Park.

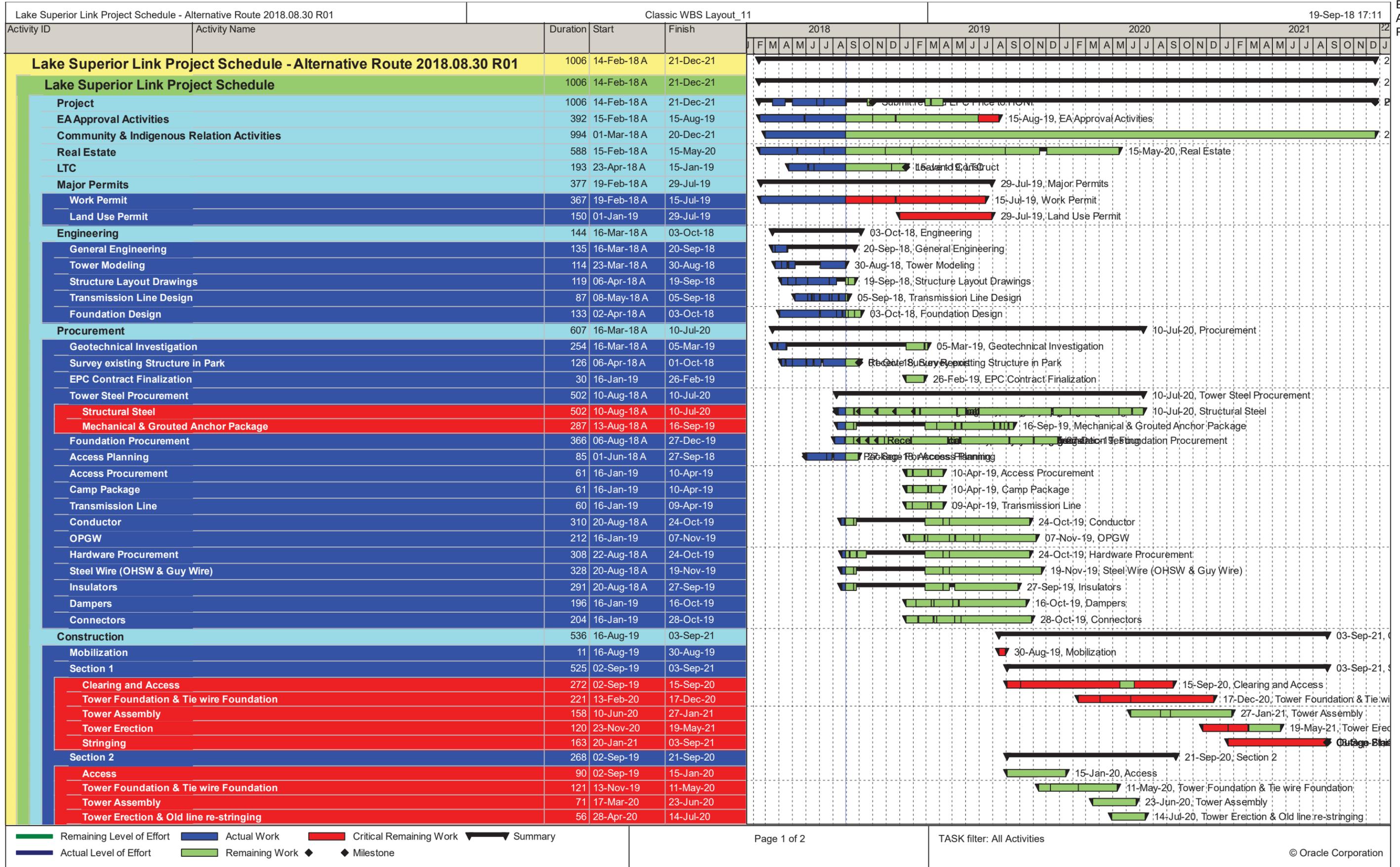
Response:

The current schedule is provided in the Table below:

TASK	START	FINISH
Submit Section 92 Application to OEB		February 2018
Projected Section 92 Approval	February 2018	January 2019
Execute EPC Contract with SNCL		January 2019
Environment Assessment and Consultation		
Obtain EA Approval from MOECC	January 2018	August 2019 ¹
Ongoing First Nations & Métis Consultation and Consultation with Stakeholders	February 2018	December 2021
Lines Construction Work		
Real Estate Land Acquisition	March 2018	May 2020
Detailed Engineering	March 2018	Oct 2019
Tender and Award Procurement	January 2019	July 2020
Construction	September 2019	November 2021
Commissioning	September 2021	December 2021
In Service		December 2021

¹ Assumption: Declaration Order approved by MECP Minister

Please refer to Attachment 1 for Gantt chart



█ Remaining Level of Effort
 █ Actual Work
 █ Critical Remaining Work
 Summary
█ Actual Level of Effort
 █ Remaining Work
 ◆ Milestone

1 **School Energy Coalition Interrogatory # 6**

2
3 **Reference:**

4 N/A

5
6 **Interrogatory:**

7 With respect to the forecast project construction costs:

8
9 a) For each material contract that Hydro One has or expects to enter into for construction of the
10 proposed project, please provide a) summary of the work to be done, b) status of the contract,
11 c) type of contract (i.e. fixed price, target price, etc.), d) the basis for contractor selection (i.e.
12 RFP, RFQ, sole source, etc.), e) value of the contract, f) the name of the contractor (if
13 available) g) JT 2.2 category of spending the contract work consists falls under.

14
15 b) Please provide the total value of the construction budget that is forecast to be made up of fixed
16 price contracts.

17
18 **Response:**

19 a) Hydro One has entered into a fixed price agreement with SNC-Lavalin Inc.

20 a. The scope is for the Engineering, Procurement and Construction (EPC) of the entire line.

21 b. The contract has been negotiated and is ready to be executed once the Leave to Construct
22 is granted to Hydro One.

23 c. The contract is a fixed price contract

24 d. Sole source. Market / bench tested

25 e. \$547M

26 f. SNC-Lavalin Inc.

27 g. Assuming the reference categories are JT2.20, SNC-Lavalin's mandate would be for (1)
28 Construction, (2) Site Clearing, Preparation & Site Remediation, (3) Material, (4)
29 Construction Management, Engineering & Design

30
31 b) SNC-Lavalin's fixed price contract is \$547M. This encompasses all construction costs.

1 **School Energy Coalition Interrogatory # 7**

2
3 **Reference:**

4 N/A

5
6 **Interrogatory:**

7 With respect to the EPC contact with SNC-Lavalin:

8
9 a) Please provide a summary of the material terms of the EPC contract and explain on what basis
10 the EPC contract price may change. Please provide specific information regarding terms of
11 the contract which allow for a change in project cost and schedule.

12
13 b) In addition to your response to part (a), please provide specific details regarding the
14 methodology for any allowed cost and schedule adjustments related to scope changes or
15 delays.

16
17 c) If Hydro One has not signed the contract, what assurances can the Board have that the terms
18 will not change?

19
20 d) Please explain how the material terms differ from the Nextbridge/Valard Construction EPC
21 contract.

22
23 e) Does the contract contain any provisions regarding adjusting the work to be done if Hydro
24 One is not allowed to go through Pukaskwa National Park? If so, please provide details. If
25 not, please explain how Hydro One has forecasted the additional cost regarding the alternative
26 route.

27
28 **Response:**

29 a) See undertaking JT2.22 and Exhibit I, Tab 2, Schedule 43 regarding EPC Contract terms and
30 conditions.

31
32 b) See undertaking JT2.22 and Exhibit I, Tab 2, Schedule 43 regarding EPC Contract terms and
33 conditions.

34
35 c) Hydro One remains committed to the scope definition and Owners Requirements which
36 underpin the EPC contract with SNC-Lavalin, and has not made any changes since the

- 1 Application's filing; and as demonstrated through interrogatory responses, the EPC price
2 remains unchanged.
3
- 4 d) Hydro One and SNC-Lavalin are unable to analyze the material differences in the two
5 contracts due to the heavily redacted versions of the Valard Construction EPC contract.
6 Aside from the terms of the contract, there is a substantial difference in the two Applications,
7 in that only Construction and Site Clearing activities are covered with the Valard contract, as
8 per EB-2017-0182, Exhibit I.B.NextBridge.CCC.8, Page 3. Other major factors such as
9 Materials and Engineering are outside the scope of the Valard contract and are not subject to
10 fixed-price provisions, thereby creating additional accountability interface risks. Hydro
11 One's application has 85% of total construction costs covered by fixed-price EPC, whereas
12 only approximately 60% is covered by fixed-price the EPC contract of NextBridge's
13 application.
14
- 15 e) Yes, this would be handled through the EPC change mechanism. Please refer to a) above.

1 **School Energy Coalition Interrogatory # 8**

2
3 **Reference:**

4 [Motion Hearing JT2.22]

5
6 **Interrogatory:**

7 Please file an unredacted copy of the EPC contract.

8
9 **Response:**

10 Hydro One filed a redacted version of the EPC contract in the referenced undertaking. Given the
11 competitive and commercial nature of this leave to construct application, Hydro One is not
12 prepared to file the unredacted version of the EPC contract. Hydro One does not believe any
13 further information in the redacted segments of the contract will assist the OEB in determining
14 whether the Project is in the best interest of consumers with respect to price, reliability and
15 quality of service given the fixed price element already discussed. Some additional information
16 regarding EPC contract has been provided at Exhibit I, Tab 2, Schedule 43.

1 **School Energy Coalition Interrogatory # 9**

2
3 **Reference:**

4 N/A

5
6 **Interrogatory:**

7 SEC seeks to understand what protections for ratepayers Hydro One is willing to include as a
8 condition of being granted leave to construct.

9
10 a) Would Hydro One be willing, as a condition of having its Lake Superior Link project being
11 granted leave to construct, that the final construction costs that can be passed onto ratepayers
12 in rates is capped at the forecast construction budget?

13
14 b) If yes, please provide the specific terms of the conditions that it believes are reasonable,
15 including exclusions, if any, it believes must be included. Please provide the rationale for any
16 proposed exclusions.

17
18 c) If not, please explain why.

19
20 **Response:**

21 a) Please refer to Exhibit I, Tab 1, Schedule 18.

22
23 b) Please refer to Exhibit I, Tab 1, Schedule 18.

24
25 c) Not applicable.

1 **School Energy Coalition Interrogatory # 10**

2
3 **Reference:**

4 N/A

5
6 **Interrogatory:**

7 With respect to necessary regulatory approvals for the Lake Superior Link:

- 8
- 9 a) What is the latest date Hydro One requires the necessary environmental assessment
10 approval(s) to bring the project in-service on the date forecast of December 2021 to stay
11 within the forecast construction budget.
- 12
- 13 b) Please provide the average incremental cost for each month delay in receiving the necessary
14 environmental assessment approval to bring the project in-service by December 2021.
- 15
- 16 c) What is the latest date Hydro One requires the necessary environmental assessment
17 approval(s) to bring the project in-service by December 2022.
- 18
- 19 d) Please provide the average incremental cost for each month delay in receiving the necessary
20 environmental assessment approval to bring the project in-service by no later than December
21 2022.

22
23 **Response:**

- 24 a) Please refer to Exhibit I, Tab 1, Schedule 7.
- 25
- 26 b) Please refer to Exhibit I, Tab 1, Schedule 7 for a total project cost impact for scenario delays
27 of 1, 3, 5, and 12 months.
- 28
- 29 c) Please refer to Exhibit I, Tab 1 Schedule 7.
- 30
- 31 d) Please refer to Exhibit I, Tab 1, Schedule 7.

1 **School Energy Coalition Interrogatory # 11**

2
3 **Reference:**

4 [CCC-8 Table 2; Motion Hearing, JT 2.2]

5
6 **Interrogatory:**

7 Please provide the full calculation of the forecast interest during construction component of the
8 construction budget.

9
10 **Response:**

11 The calculation is based on the following equation:

12 *(Sum of capital expenditure prior to current month minus rate base additions) x annual*
13 *capitalized interest rate / 12*

14
15 Attachment 1 provides the forecast interest during both:

- 16 • Development Phase (assumed LTC approval in January 2019)
17 • Construction Phase (from February 2019 until December 2021)

Lake Superior Link Interest During Construction

Development Phase	Monthly Total	Cumulative
2018		
May	465	465
June	1,789	2,254
July	6,059	8,313
August	9,684	17,997
September	16,548	34,545
October	25,998	60,543
November	36,442	96,985
December	47,168	144,153
2019		
January	54,521	198,674
Construction Phase		
February	65,840	65,840
March	198,554	264,394
April	207,430	471,824
May	250,808	722,633
June	296,149	1,018,782
July	326,232	1,345,014
August	394,937	1,739,951
September	433,800	2,173,751
October	510,910	2,684,661
November	630,630	3,315,291
December	715,663	4,030,954
2020		
January	762,438	4,793,393
February	809,986	5,603,379
March	954,854	6,558,233
April	1,143,941	7,702,174
May	1,269,941	8,972,114
June	1,356,286	10,328,401
July	1,475,137	11,803,538
August	1,572,600	13,376,138
September	1,679,143	15,055,281
October	1,771,331	16,826,612
November	1,876,536	18,703,148
December	1,961,255	20,664,403
2021		
January	2,046,023	22,710,425
February	2,104,909	24,815,334
March	2,169,215	26,984,549
April	2,200,062	29,184,610
May	2,362,761	31,547,372
June	2,420,493	33,967,864
July	2,478,445	36,446,310
August	2,510,089	38,956,398
September	2,541,896	41,498,294
October	2,399,343	43,897,637
November	0	43,897,637
December	0	43,897,637

1 **School Energy Coalition Interrogatory # 12**

2
3 **Reference:**

4 [Motion Hearing, Technical Conference UT Responses]

5
6 **Interrogatory:**

7 Please update the following undertaking responses (as necessary):

- 8 a) JT 2.2
9 b) JT 2.5
10 c) JT. 2.6
11 d) JT 2.8
12 e) JT 2.17
13 f) JT 2.19

14
15 **Response:**

- 16 a) Please refer to Exhibit I, Tab 1, Schedule 14, Attachments 2 and 3.
17
18 b) An update to the schedule provided as JT2.5 is included in Exhibit I, Tab 1, Schedule 14,
19 Attachment 1.
20
21 c) All material Parks Canada correspondence after the original undertaking response regarding
22 the License Renewal is included in Exhibit I, Tab 1, Schedule 14, Attachment 5.
23
24 d) All material Parks Canada correspondence since the last undertaking response is included in
25 Exhibit I, Tab 1, Schedule 14, Attachments 4 and 5.
26
27 e) Please refer to Exhibit I, Tab 2, Schedule 6.
28
29 f) No further business cases or approval documents have been provided to the management
30 team. Refer to Exhibit I, Tab 2, Schedule 3 for updates provided to the Hydro One Board of
31 Directors.

1 **School Energy Coalition Interrogatory # 18**

2
3 **Reference:**

4 N/A

5
6 **Interrogatory:**

7 Please confirm Hydro One is only seeking leave to construct approval for its preferred route
8 through Pukaskwa National Park. If so, please confirm that if the approval is not granted by
9 Parks Canada then Hydro One would need to seek a variance of any leave to construct approval.

10
11 **Response:**

12 Hydro One is seeking approval to construct the route through Pukaskwa National Park. As
13 identified, in Exhibit I, Tab 1, Schedule 20, the OEB typically requires, as a condition of
14 approval, that the Applicant advise the Board's designated representative of any proposed
15 material change in the Project, including, but not limited to, material changes in the proposed
16 route, construction techniques, construction schedule, restoration procedures, or any other
17 material impacts of construction. Hydro One would inform the OEB of any material changes and
18 await OEB direction.

School Energy Coalition Interrogatory # 21

Reference:

[Exhibit B-7-1]

Interrogatory:

Please provide a more detailed breakdown of the forecast construction costs.

Response:

More detailed breakdown of the updated construction cost is shown in Figure 1 below

Category / Sub-item	Cost k\$	Item Total k\$
SNC-Lavalin EPC Fixed Price		
Construction		
- Foundation Installation		
- Transmission Installation		
- Indirects		
- Field Management		
Other Costs (EPC Insurance & Bonds)		
Site Clearing, Preparation & Site Remediation		
- Clearing & Access		
- Remediation & Restoration		
- First Nation and Metis Participation		
- Environmental Mitigation		
Material		
- Lattice Towers		
- Foundations		
- Hardware		
- Conductor & Wires		
Construction Management, Engineering, Design & Procurement		
EPC Construction Phase Sub Total		542,657
Hydro One Costs		
Project Management		
Real Estate / Land Rights		
First Nations & Métis Consultations		
Other Consultations		

Environmental Approval		
Owner Engineering Review		
T1M Relocation		
Contingency		
Interest During Construction("IDC")		
Overhead		
	Hydro One Sub Total	82,143
	Total Construction Cost	624,800

1 **School Energy Coalition Interrogatory # 22**

2
3 **Reference:**

4 [Exhibit B-9-1, Table 1]

5
6 **Interrogatory:**

7 With respect to the discounted cash flow analysis:

- 8
9 a) Please revise the analysis to include the costs identified in the IESO's Addendum to the
10 Updated Needs Assessment.
11
12 b) [Attachments 1-4] In providing your response to part (a), please provide revised attachments
13 detailing the calculation. Please also provide the spreadsheet used in creating those
14 attachments with all formulas intact.
15

16 **Response:**

- 17 a) Exhibit B-9-1, Table 1 has been updated utilizing the costs identified in Table 2 Summary of
18 Potential Cost of Delay to In-Service Date (2020 – 2024) in the IESO's Addendum to the
19 Updated Needs Assessment.
20

21 Note: the capacity costs are considered to be OM&A expenditures. The costs, in Table 2 of
22 the IESO's report, which were provided in 2017 dollars, have been inflated by 2% as
23 provided below:
24

Year	Total Potential Cost of Delay (2017\$ millions) as per page 5 of Report	Inflation factor	Costs Assumed in interrogatory response
2020	17	106.1%	18.0
2021	19	108.2%	20.6

Table 1: Comparison of Discounted Cash Flow (\$ million)

	2016	2018
Hydro One without cost of delay	(586.8)	(583.5)
Hydro One including cost of delay to 2021	(601.9)	(598.7)
Impact	(15.1)	(15.2)
NextBridge without cost of delay	(736.1)	(732.8)
NextBridge including cost of delay to 2020	(749.4)	(746.0)
Impact	(13.3)	(13.2)
Variance between Hydro One and Nextbridge	147.5	147.3

Including this IESO costs would only close the NPV variance between the Hydro One solution and Nextbridge solution by approximately \$2M; the Hydro One solution would still be nearly \$150M superior from an NPV perspective even when including the IESO total potential cost of delay.

Note this analysis assumes that Nextbridge is still able to meet its target in-service date within the budget it had previously forecast in their original application; which Nextbridge has indicated would not be feasible based on their communication with the OEB within this proceeding¹.

- b) Please see excel file. The inputs have been preset to Hydro One's Lake Superior Link offer utilizing 2018 rates and cost of capital.

¹ EB-2017-0364 – Exhibit JT 1.25 – May 25, 2018

1 **School Energy Coalition Interrogatory # 26**

2
3 **Reference:**

4 [Motion Hearing, JT2.20, JT2.23; JT2.25]

5
6 **Interrogatory:**

7 With respect to Hydro One's by-pass route cost forecast:

- 8
- 9 a) Please confirm that this by-pass route is the same route proposed by Nextbridge.
- 10
- 11 b) Please explain how Hydro One forecast these costs.
- 12
- 13 c) Hydro One states in JT 2.20 that the cost estimate is the "best estimate at this point in time,
14 and the proposed solution has not been detailed to the same level as what was filed as part of
15 the s.92 application". What is the AACE classification of the bypass-route?
- 16
- 17 d) Please provide a similar table as shown in JT2.25 showing the accuracy range and
18 upper/lower cost bounds for the estimate.
- 19
- 20 e) In JT2.25, Hydro One states that incremental cost for the EPC contract for the bypass route is
21 \$37M for total cost of \$583M. Is this a Hydro One estimate, or is it one that has been
22 estimated by SNC-Lavalin?
- 23

24 **Response:**

- 25 a) The bypass route is meant to reflect the same route proposed by NextBridge.
- 26
- 27 b) The route was ascertained from information publicly available from NextBridge's route,
28 including their s. 92 and EA applications. As Hydro One LiDAR assessments and detailed
29 engineering or consultations have not been performed on this route, the estimate was a
30 parametric exercise using the unit rates derived from the rest of the line.
- 31
- 32 c) This portion of the route would be assessed as an AACE Class 4 estimate.

1 d) See table below:

2

Component and Accuracy	Accuracy	Nominal	Lower	Upper
EPC Contract Fixed-Price	-3% to +5%	\$ 585,000	\$ 567,000	\$ 614,000
Interest During Construction	EPC: +/-5% Non-EPC: +/-15%	\$ 45,000	\$ 40,000	\$ 51,000
All other Costs	+/-15%	\$ 48,000	\$ 41,000	\$ 55,000
Total Project	-5% to +6%	\$ 681,688	\$ 647,603	\$ 722,589

3

4 e) The estimated EPC incremental costs have been jointly developed by Hydro One and SNC-
5 Lavalin.

1 h) Please discuss any incremental costs related to a delay in necessary environmental
2 assessment approval(s) for the Marathon Transformer Station Expansion on the ability in
3 meeting the forecast in-service date of both the Nextbridge East-West Tie Line and Hydro
4 One Hydro One Lake Superior Link project.

5
6 **Response:**

7 a) The Hydro One June 27, 2018 letter to the Board and the May 15, 2018 email from Ms.
8 Majerovich are included in Exhibit I, Tab 1, Schedule 14, Attachment 3.

9
10 b) Please refer to Exhibit I, Tab 1, Schedule 14, Attachment 3. Note that Hydro One and
11 NextBridge have been working collaboratively with MECP in requesting them to reconsider
12 their position of linking the further permits and approvals for the station expansion class EA
13 with the East-West Tie line individual EA and further discussions are intended.

14
15 c)

16 i) In order to meet the December 2020 in-service date of NextBridge's East-West Tie Line,
17 construction work at Marathon Station was to have commenced in July 2018. Assuming
18 the NextBridge Individual EA is approved by or before January 2019, an in-service date of
19 December 2021 can be achieved for the East-West Tie Line.

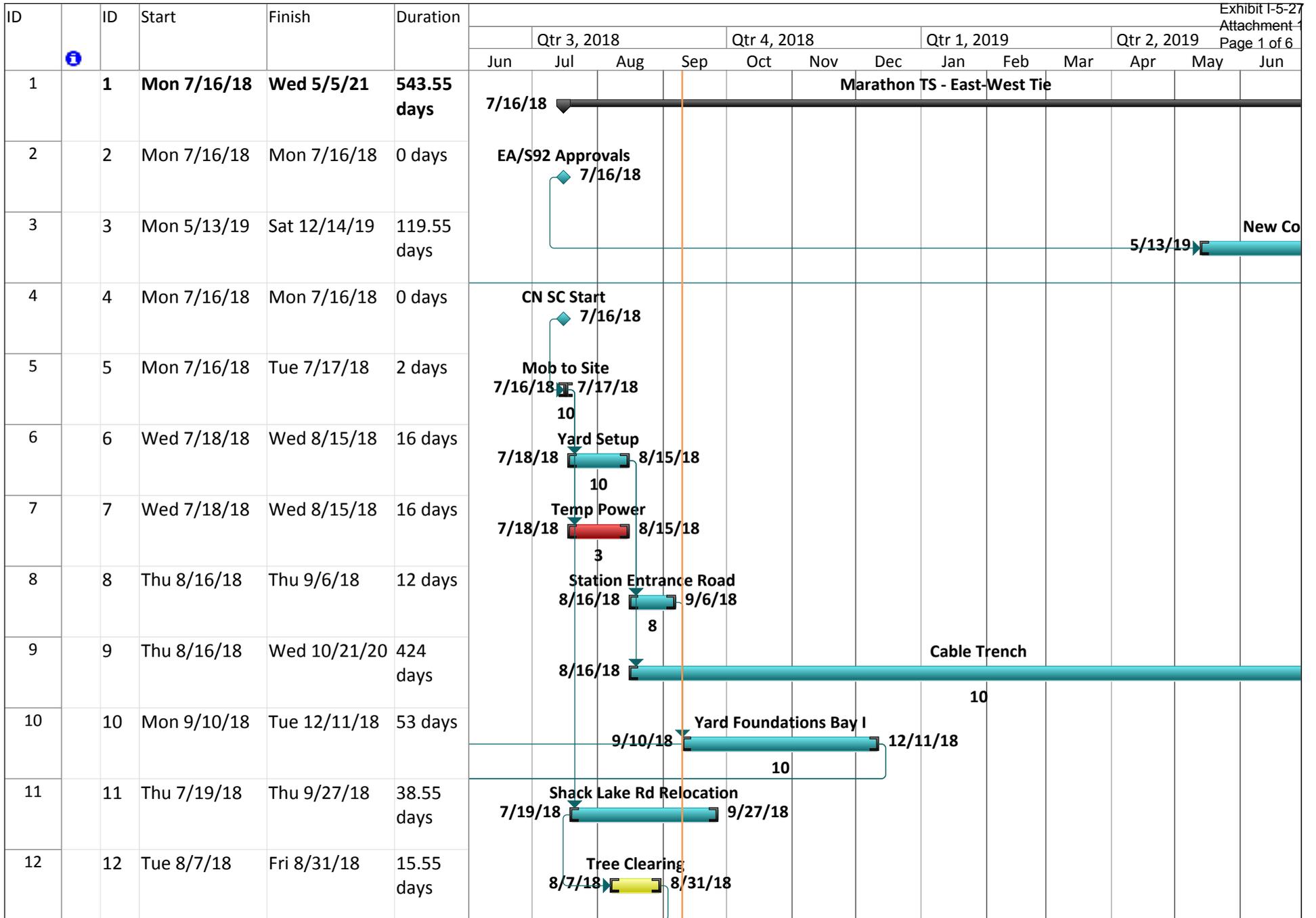
20
21 ii) Assuming the NextBridge Individual EA is approved by December 2018, an in-service date
22 of December 2021 can be achieved for the Lake Superior Link.

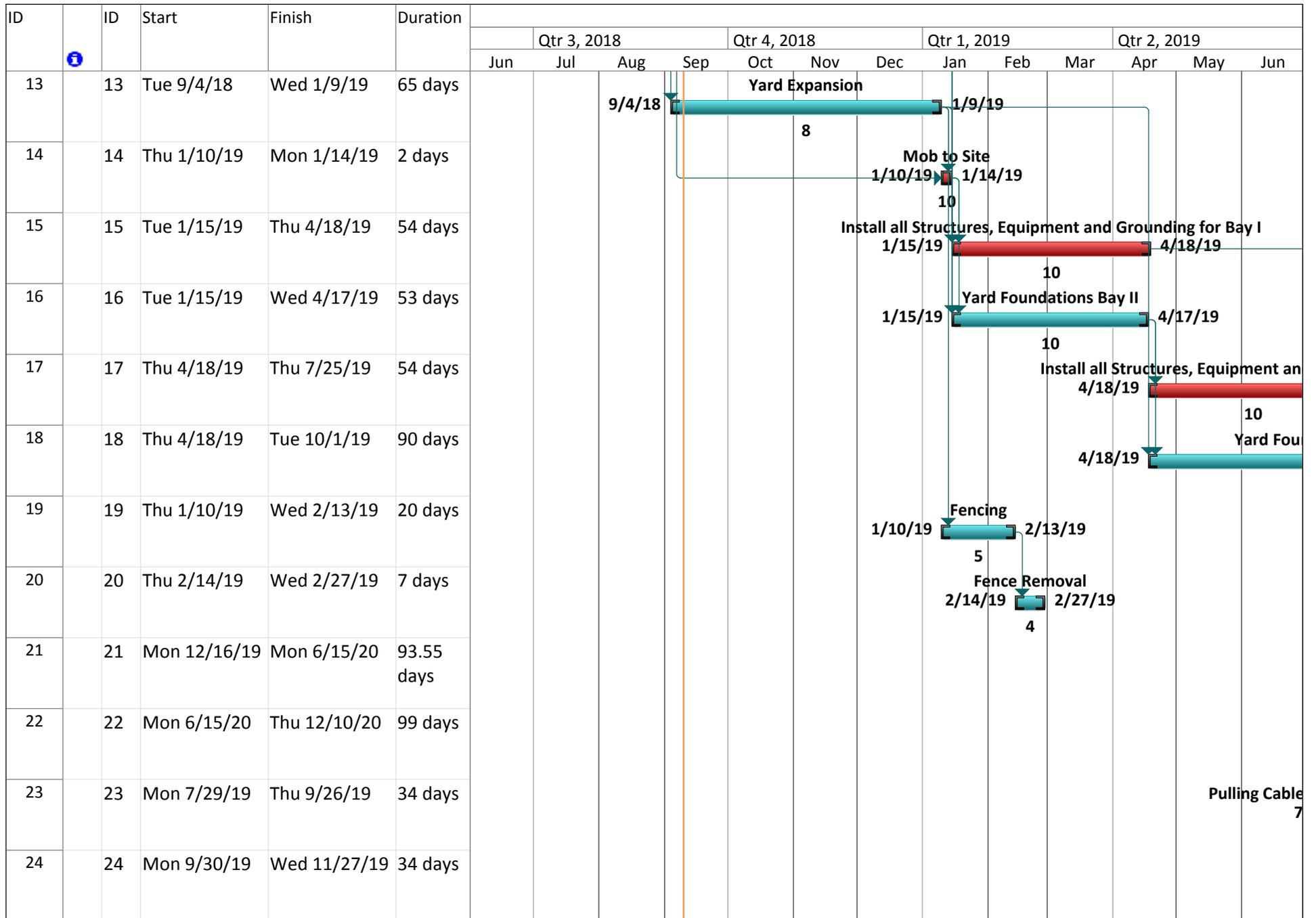
23
24 iii) With respect to the delays described above, the cost of the station expansion project will
25 increase. The incremental costs are dependent on the length of the delay in proceeding
26 with activities approved under the station Class EA, which MECP has suggested would be
27 contingent on the East-West Tie Line Individual EA approval.

28
29 d) Please see Attachment 1 to this interrogatory, which outlines the original schedule with a
30 July 2018 start and a December 2020 ISD.

31
32 e) Assuming approval of all required EAs by December 2018, Hydro One will be able to
33 complete the Marathon TS Expansion to connect and in-service the EWT line or the LSL by
34 December 2021. Please refer to Attachment 2 of this interrogatory for the associated
35 schedule.

- 1 f) The Class EA process completion date of July 4, 2018, would have allowed Hydro One to
2 bring the Marathon TS Expansion in-service by its forecast in-service date. As a result of the
3 current delays, Hydro One will not be able to bring Marathon TS Expansion in-service by
4 December 2020 to allow the NextBridge EWT Line to be in-service by its previously forecast
5 in-service date. All required EA approvals would have had to be in place by August 15,
6 2018 to meet the December 2020 in-service date.
- 7
- 8 g) The approval of all required EAs by January, 2019, is required to allow Hydro One to bring
9 the Marathon TS Expansion in-service by its forecast in-service date of December 2021,
10 Attachment 2. Any further compression of this schedule would result in additional cost and
11 would require further study to quantify impacts.
- 12
- 13 h) Please refer to answer to question c) iii) above.





ID	ID	Start	Finish	Duration														
					Qtr 3, 2018				Qtr 4, 2018				Qtr 1, 2019			Qtr 2, 2019		
					Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
25	25	Thu 11/28/19	Tue 3/17/20	54 days														
26	26	Wed 10/2/19	Thu 1/16/20	53 days														
27	27	Mon 1/20/20	Tue 5/5/20	60 days														
28	28	Wed 3/18/20	Tue 6/23/20	54 days														
29	29	Wed 6/24/20	Tue 8/25/20	34 days														
30	30	Wed 8/26/20	Tue 10/27/20	34 days														
31	31	Wed 5/6/20	Tue 7/14/20	38 days														
32	32	Wed 10/28/20	Tue 12/8/20	24 days														
33	33	Thu 12/10/20	Thu 12/10/20	0 days														
34	34	Thu 12/10/20	Wed 4/14/21	61 days														
35	35	Wed 4/14/21	Tue 4/27/21	7 days														
36	36	Tue 4/27/21	Wed 5/5/21	5 days														

Qtr 3, 2019			Qtr 4, 2019			Qtr 1, 2020			Qtr 2, 2020			Qtr 3, 2020			Qtr 4, 2020			Qtr 1, 2021	
Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Marathon TS - East-West Tie																			
New Control Building and Racks (Contracted Out)																			

1 **Power Workers' Union Interrogatory # 1**

2
3 **Reference:**

4 EB-2017-0364, Hydro One letter to Margaret Froh, President of MNO, Dated May 15, 2018

5
6 **Interrogatory:**

7 In the letter, Hydro One responded to a letter from Margaret Froh, President of the Metis Nation
8 of Ontario (MNO) which was addressed to David F. Denison and Mayo Schmidt of Hydro One,
9 in which the MNO complained of a lack of consultation by Hydro One with the MNO. The
10 response includes the following:

11
12 In keeping with its past practices, and with legal obligations, HONI has
13 intended to consult with First Nations and Metis communities about all
14 aspects of its proposal to build the LSL, including economic
15 participation. That has been delayed in its ability to undertake these
16 consultations has been a function first, of the timing of its decision to
17 seek leave to construct the LSL and, second, of the fact that its ability
18 to consult has been limited by a variety of exclusivity and non-
19 disclosure agreements NextBridge has entered into with certain First
20 Nation and Metis communities. Notwithstanding the delay in its ability
21 to embark upon consultations, HONI intends to consult fully with First
22 Nation and Metis communities about all aspects of its proposal,
23 including economic participation.

- 24
25 a) Please provide update on the status of Hydro One's accomplishments so far and future plans
26 with respect to consultation with First Nations and Metis communities on aspects of Hydro
27 One's proposed application and economic participation.

28
29 **Response:**

- 30 a) Please refer to Exhibit I, Tab 1, Schedule 15.

1 **Power Workers' Union Interrogatory #2**

2
3 **Reference:**

4 EB-2017-0364, Undertaking —JT 2.3

5
6 **Interrogatory:**

7 In the reference, Hydro One provides a schedule of activities leading to the July 2019 date of
8 individual environmental assessment completion.

9
10 a) Please provide update on activities listed in the table that have been accomplished so far.

11
12 **Response:**

13 a) Please refer to Exhibit I, Tab 1, Schedule 14, Attachment 1.

1 **Power Workers' Union Interrogatory #3**

2
3 **Reference:**

4 EB-2017-0364, Undertaking — JT 2.9

5
6 **Interrogatory:**

7 In the reference, Hydro One provided a project schedule that updated the original project
8 schedule provided in Exhibit B, Tab 11, Schedule 1, Page 1. The updated schedule includes
9 minor adjustments but assumes that Section 92 approval would be obtained by October 2018.

- 10
11 a) Is it still Hydro One's position that Section 92 approval could be obtained by
12 October 2018? What would be the impact, if any, on in-service date of a delay in
13 approval by a month or two?

14
15 **Response:**

- 16 a) Due to the timing and complexity of the combined hearing, Hydro One now anticipates that
17 LTC will be granted by mid-January 2019. A new project schedule is provided at Exhibit I,
18 Tab 1, Schedule 5. A delay of this magnitude, from October 2018 until Jan 2019 would not
19 impact the in-service date of December 2021. Please refer to Exhibit I, Tab 1, Schedule 7 for
20 time scenarios and relative impact.

1 **Power Workers' Union Interrogatory #4**

2
3 **Reference:**

4 Ref 1: EB-2017-0364, Exhibit B, Tab 1, Schedule 1, page 2

5
6 Hydro One is proposing to build the Lake Superior Link for \$636.2M with ongoing OM&A costs
7 of \$1.5M.

8
9 Ref 2: EB-2017-0364, Exhibit: JT 2.19, Attachment 2, page 2

10
11 An overview of the proposed solution, along with an initial "not to exceed" price of \$650M, was
12 submitted to the IESO on October 14, 2017 to ensure they understand our commitment and plan
13 for this project, and how it provides a more cost-effective wires solution as they conduct the
14 needs assessment.

15 The largest uncertainty for the proposed approach is centred on the ability for Hydro One to
16 utilize the Environmental Assessment work that has been completed by NextBridge, and we are
17 discussing details with the Ministry of Environment and Climate Change around options.

18
19 Ref 3: EB-2017-0364, Exhibit: JT 2.19, Attachment 3 (Board of Directors Meeting - East
20 West Tie - Approval of Strategic Content for Leave to Construct)

21
22 The reference indicates that the Board of Directors approved a capital cost "Not to exceed \$636.1
23 million" subject to exclusions and conditions mentioned herein, including with regards to
24 environmental approval of its route, and with final project cost to be adjusted following LTC
25 approval by OEB, subject to any change or conditions imposed by OEB.'

26
27 **Interrogatory:**

28 a) Please clarify if the cost estimate in Ref. 1 is based on an assumption that Hydro One would
29 be able to utilize the Environmental Assessment (EA) work that has been completed by
30 NextBridge as indicated in Ref 2? If yes, what would be the cost and schedule impact if
31 Hydro One were required to undertake its own individual EA? Would Hydro One go ahead
32 with the construction of the EWT line at the cost of "Not to exceed \$636 million" should
33 Hydro One fail to obtain permission to utilize NextBridge's EA work?

34
35 b) Is Hydro One still in discussion with the MOECC with respect to Hydro One's ability to
36 utilize NextBridge's EA work?

1 c) Please explain the reason why the "Not to exceed \$650 million" capital cost estimate that was
2 sent to the IESO in October 2017 (Ref 2) was reduced to "Not to exceed \$636.1 million"
3 cost estimate that was approved by Board of Directors one month later, i.e., December 2017
4 (Ref 3)

5
6 **Response:**

7 a) The cost estimate in Reference 1 is based on the assumptions in Exhibit C, Tab 1, Schedule
8 2, page 2, lines 1-6. Please refer to Exhibit I, Tab 1, Schedules 7 and 14 for schedule and
9 cost implications.

10
11 b) Please refer to Exhibit I, Tab 1, Schedule 14.

12
13 c) Reference 2 was a project briefing shared with the Board of Directors on November 10,
14 2017, based on information available at that time. Reference 3 was a submission to the
15 Board of Directors on December 8, 2017, requesting approval to submit the Leave to
16 Construct application.

17
18 Over that month, Hydro One completed additional work on the project and received updated
19 information, including the fixed-price EPC estimate from SNC-Lavalin, which allowed the
20 cost estimate to be lowered to \$636.1 million.

21
22 For clarification purposes, the Hydro One Board of Directors did not approve a not-to-exceed
23 cost estimate of \$636.1 million. Thus, the cost estimate provided in Exhibit B, Tab 7,
24 Schedule 1 is \$636.1 million without a not-to-exceed condition.

25
26 Please refer to Exhibit I, Tab 1, Schedule 18 for further information on the not-to-exceed
27 price.

1 **Power Workers' Union Interrogatory #5**

2
3 **Reference:**

4 Addendum to 2017 Updated Assessment for the Need for the East-West Tie Expansion

5
6 **Interrogatory:**

7 a) In Hydro One's view, are the assumptions and findings of the IESO with respect to the
8 reliability impacts and the projected system costs of a delay to the in-service date of the E-W
9 Tie expansion beyond 2020 presented in the Addendum reasonable? If not, please identify
10 and discuss the assumptions and findings of the IESO that Hydro One finds to be
11 unreasonable.

12
13 **Response:**

14 a) Please refer to Exhibit I, Tab 5, Schedule 19.

Power Workers' Union Interrogatory #6

Reference:

Addendum to 2017 Updated Assessment for the Need for the East-West Tie Expansion, Page 5

Table 2 Summary of Potential Cost of Delay to In-Service Date (2020-2024)

Year	Potential Capacity Cost (2017\$ millions)	Energy Cost (2017\$ millions)	Foregone Loss Savings (2017\$ millions)	Total Potential Cost of Delay (2017\$ millions)
2020	\$16	\$0.5	\$0.7	\$17
2021	\$18	\$0.5	\$0.7	\$19
2022	\$22	\$0.5	\$0.7	\$23
2023	\$38	\$0.6	\$0.7	\$39
2024	\$44	\$0.6	\$0.7	\$45

Interrogatory:

- a) Taking into consideration the total potential cost of delay each year provided by the IESO, what is the total net savings of Hydro One's proposed project compared with NextBridge's?
- b) How much of a delay to Hydro One's project schedule would result in no net savings of Hydro One's project over NextBridge?
- c) When should construction start to achieve each of the in-service dates listed in Table 2 above?

Response:

- a) Hydro One's understanding is that if NextBridge did not receive OEB approval by August of 2018, a 2020 in-service date would not be possible even for NextBridge. As a result, relative to the NextBridge alternative in-service date, there is no incremental cost delay should the LSL be in-service in 2021 as planned.

1 Furthermore, based on the submissions of NextBridge in Exhibit JT 1.25, NextBridge
2 expects delay costs to be substantial should a delay of 6 months or even a year be¹ realized
3 relative to the 2020 proposed in-service date. Hydro One is unaware of what those
4 substantial cost increases are. Consequently, it is difficult, if not impossible for Hydro One
5 to ascertain what the exact savings will be for ratepayers when the two Projects are compared
6 until NextBridge updates its project costs on a more realistic approval timetable. Please refer
7 to Exhibit I, Tab 5, Schedule 22 for a cost comparison using NextBridge's July 17 LTC-filed
8 project cost information, which illustrates the benefits of the LSL Project .
9

- 10 b) To complete this analysis, Hydro One has assumed that all costs remain status quo, with the
11 exception of the potential capacity costs shown in Table 2 to this question. Hydro One has
12 also incorporated the updated projects costs, as provided in Exhibit I, Tab 1, Schedule 11, in
13 this analysis and for lack of new information, has kept NextBridge's cost to construct the
14 same as in their prefiled evidence.
15

16 Although Hydro One does not believe that NextBridge is still able to meet the 2020 in-
17 service date [see Hydro One's response in (a) above], Hydro One's project would have
18 savings over NextBridge until 2025 even if NextBridge were still able to meet a 2020 in-
19 service date. If NextBridge's in-service date is delayed until 2021, Hydro One's project will
20 produce ratepayers benefits until 2026.
21

- 22 c) Construction should start in September 2019 to achieve an in-service date of December 2021.

¹ EB-2017-0364 – Exhibit JT 1.25 – May 25, 2018

1 **Power Workers' Union Interrogatory #7**

2
3 **Reference:**

4 Addendum to 2017 Updated Assessment for the Need for the East-West Tie Expansion, Page 6

5
6 The IESO continues to recommend an in-service date of 2020 for the E-W Tie Expansion. If a
7 delay is to be incurred, relying on interim measures will result in additional risks to reliability
8 and increased costs. In this case, the IESO does not support delaying the in-service date of the
9 East-West Tie Expansion beyond the end of 2022 as the increased risks to system reliability and
10 the associated cost uncertainties are unacceptable.

11
12 **Interrogatory:**

- 13 a) From Hydro One's perspective, what are the potential reliability impacts of delaying the
14 project?
- 15
- 16 b) What, if anything, can Hydro One do to minimize the impact on reliability?
- 17
- 18 c) Does Hydro One agree that the risks to system reliability of delay beyond 2022 are
19 "unacceptable"?

20
21 **Response:**

- 22 a) The reliability risks of delaying the in-service date are the same as the reliability risks in
23 2019 and 2020, where the IESO has estimated a capacity requirement (potential shortfall) of
24 up to 240 MW. In case of a low probability event of loss of a source or the existing East-
25 West Tie, during low hydroelectric generation (a drought year) and during peak demand
26 hours, with no availability of imports from Manitoba and Minnesota, the capacity shortfall
27 could result in the loss of some of the load in Northwest which may not be restored within
28 the required time. In the previous IESO's need assessments, up to 300 MW of capacity
29 shortfall was expected before the proposed in-service date of the new EWT line, yet the
30 IESO considered the situation to be manageable to the point of recommending a deferral of
31 the in-service date for two years to pursue more cost-effective alternatives. Since the forecast
32 change in the capacity requirement (shortfall) between 2020 and 2022 is relatively small,
33 Hydro One continues to believe that the reliability risk is manageable.
- 34
- 35 b) Hydro One will ensure that planned outages are scheduled and managed to minimize the risk
36 to the connectivity to the available resources. Hydro One has an experienced staff and a fleet
37 of helicopters and will respond quickly to any unforeseen outages.

Filed: 2018-09-24

EB-2017-0364

Exhibit I

Tab 6

Schedule 7

Page 2 of 2

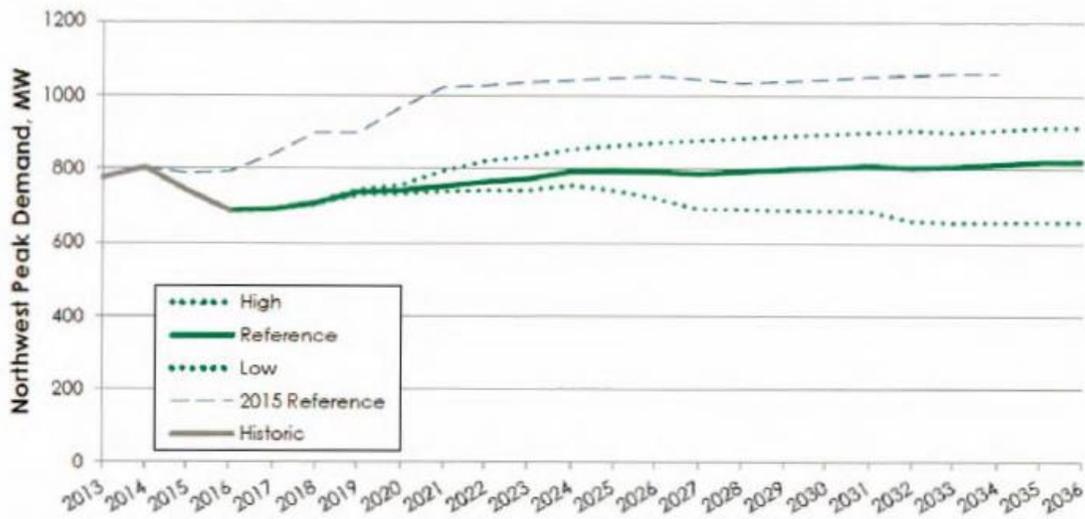
- 1 c) Hydro One believes that the risk to reliability beyond 2022 is manageable with the same
- 2 operating measures as those in 2020 and 2021, although managing the risk could be to some
- 3 degree more difficult and potentially costlier.

Power Workers' Union Interrogatory #8

Reference:

Updated Assessment of the Need for the East-West Tie Expansion (December 1, 2017), Page 11

Figure 2. Northwest Net Peak Demand Outlooks



Interrogatory:

- a) Does Hydro One independently forecast consumption and/or peak demand for the Northwest region for its transmission or distribution activities?
- b) Is the IESO's forecast peak demand for the region consistent with Hydro One's independent forecasts or general expectations?

Response:

- a) Hydro One independently forecasts the coincident peak demand for the Northwest region for its distribution customers. Hydro One's forecast of coincident peak demand at the transmission level covers its existing customers and includes the demand forecast of distribution customers (considering the CDM) and the demand of existing direct-connected transmission customers. Hydro One's forecast does not extend beyond 2022.

- 1 b) The IESO's forecast of peak demand, in addition to the demand of existing distribution
2 customers and existing direct-connect transmission customers, includes other factors that are
3 not covered in the Hydro One forecast. These include long-term forecast of new mining
4 developments in the whole Northwest, connection of remote communities that are not
5 currently served by the network and other considerations, which have resulted in three
6 expected outcomes, namely Reference, High and Low forecast. Therefore, Hydro One's
7 forecast cannot be compared to the IESO's forecast.

1 **Consumers Council of Canada Interrogatory # 1**

2
3 **Reference:**

4 REF: EB-2017-0364, EXHIBIT B, TAB 2, SCHEDULE 1, pages 4-5:

5
6 *For the section inside Pukaskwa National Park, Hydro One will convert approximately*
7 *35 km of the existing 230 kV double-circuit transmission line by upgrading to a fourcircuit*
8 *transmission line (replace the existing double circuit towers with four circuit*
9 *guyed towers and add conductors and insulators for the two new circuits) on the existing*
10 *ROW, with the summer rating of 1120 Ampere (466 MV and 240 kV operating voltage)*
11 *for each of the new circuits;*

12
13 REF: EB-2017-0364 Technical Conference Transcript May 17, 2018, page 284.

14
15 *MR. LESYCHYN: Just a couple questions here: Are there any stranded assets as a*
16 *result of Hydro One's proposed quad towers through the park?*

17 *MR. SPENCER: Not to our knowledge, no.*

18 *MR. LESYCHYN: So there wouldn't be any kind of incremental cost for that.*

19 *MR. SPENCER: There are no -- there will be no stranded -- we don't foresee any*
20 *stranded assets with the tower replacement.*

21 *MR. LESYCHYN: Okay. Hang on, hang on. Within the park, is the construction cost*
22 *incremental within the park or is it full cost? In other words, you're basically only*
23 *looking at the cost to basically take the circuits from a double circuit to a quad circuit?*
24 *Are you basically -- is the entire cost is being fully allocated?*

25 *MR. SPENCER: The modifications to the tower -- the towers through the park to enable*
26 *a quad circuit, those costs in this application are fully burdened.*

27 *MR. LESYCHYN: Okay. Is there any stranded value for the towers that you're basically*
28 *taking out, because those towers are not at end of life. They are 50 years old. I'm not*
29 *sure of what the value is there, but...*

30 *MR. SPENCER: We're not sure on this panel of the details of that, to be honest.*

31 *MR. LESYCHYN: Okay.*

32
33 **Interrogatory:**

34 The Council would like to better understand the impact of the proposed project on the existing
35 Hydro One transmission line through Pukaskwa National Park.

- 1 a) How much of the total proposed cost of \$636M is attributable on a fully allocated basis to the
2 replacement of the existing double circuit (as opposed to the upgrade to a quad circuit)?
3
4 b) What is the stranded value with respect to the assets related to the existing transmission line
5 through Pukaskwa Park that will be removed from service, and how does HONI propose to
6 recover that value if at all?
7
8 c) Are there any material avoided costs as a result of upgrading the existing transmission line as
9 proposed, i.e. are there material capital investments that will need to be made in the near
10 future in order to maintain the existing transmission line assuming the proposed upgrade is
11 not performed? If there are material avoided costs please quantify those costs and provide a
12 forecast of when they will need to be made.
13

14 **Response:**

- 15 a) Hydro One is unclear on what the question is asking, so we are unable to provide the answer.
16 For clarity, it is only through Pukaskwa National Park that Hydro One is replacing double
17 circuit towers (not complete circuits) with quad circuit towers.
18
19 b) The net book value (NBV) of the structures, insulators and skywire of the entire transmission
20 line from Wawa to Marathon is \$2.6M, based on the sustainment investments on the line.
21 While the NBV of the section of the line in the park is not available at this time, one may
22 assume \$551.7k of NBV for the 87 structures that will be replaced.
23
24 c) Hydro One does not foresee material avoided costs in the near future for major components
25 such as conductors and towers. Hydro One currently plans to replace known defective
26 insulators on the existing EWT line in the next 10 years. The avoided cost for the required
27 insulator replacement investment is limited to the section of line through the Park (the section
28 with proposed 4-circuit towers).

1 *MR. SPENCER: There is a key point that I wouldn't mind elaborating on in my last*
2 *question.*

3 *So your question was essentially why did we not the come forward with a fixed price.*
4 *One of the key considerations was the fact that we had not undertaken full consultation*
5 *with First Nation and Métis communities and one of the members of our board, who*
6 *provided us guidance throughout this process, she felt that was an unclear risk, given*
7 *that we had not yet had those conversations.*

8 *So she encouraged us to continue to follow our normal practices, and ensure that*
9 *we have appropriate time to engage and consult.*

10
11 REF: EB-2017-0364 Technical Conference Transcript May 17, 2018, pages 195-197.

12
13 *MR. BUONAGURO: Thank you. Good afternoon, panel. I just have a couple of areas of*
14 *questions, and mostly to reconcile my confusion on a couple things.*

15 *First, and following up on some of what Mr. Rubenstein was asking about, he asked you*
16 *what class of estimate that the project would attract, and I believe the answer was Class*
17 *3?*

18 *MR. KARUNAKARAN: That's correct.*

19 *MR. BUONAGURO: And that's in relation to the AACE standard, I guess is what you*
20 *would call that?*

21 *MR. KARUNAKARAN: That's correct.*

22 *MR. BUONAGURO: Thank you. I looked it up, and perhaps you can confirm, subject to*
23 *check, that that would normally attract a variance inaccuracy of between -- at the very,*
24 *very low end negative 20 percent and at the high end plus 30 percent?*

25 *MR. SPENCER: So those are the defined bounds within the AACE framework for a Class*
26 *3 product. Now, just to clarify, the classification system is a function of the underlying*
27 *deliverables and their associated maturity.*

28 *So what is unique about our application, just to elaborate on that, is we've completed*
29 *enough of the underlying work and simplified terms, let's call that engineering and cost*
30 *estimation and risk assessment and the like, scheduled development, to feel confident*
31 *about locking in at a fixed-price contract.*

32 *MR. BUONAGURO: And that's why I was asking, because everything up to that, in*
33 *terms of your discussion with Mr. Rubenstein, suggested something tighter than that*
34 *bound because of the fixed-price contract and such.*

35 *So if you were to translate what you were talking about with him into that accuracy*
36 *range, what are we talking about?*

37 *MR. SPENCER: We feel comfortable that our cost estimate is total development and*

1 *construction cost together, \$636 million, plus or minus approximately 6 percent.*

2 *MR. BUONAGURO: That seems pretty specific. Is that a calculation that you've already*
3 *done with all the different factors?*

4 *MR. SPENCER: So we looked at the analysis, considering how much of our construction*
5 *contract is, in fact, bound by the fixed-price terms of the EPC contract, which is why --*
6 *the primary reason why that's so fixed, so we have done a preliminary calculation to*
7 *inform that tolerance.*

8 *MR. BUONAGURO: Is that a calculation you can provide by way of undertaking?*

9 *MR. SPENCER: We could provide that analysis, yes.*

10 *MR. LAVAE: That would be Undertaking JT2.25, that you want to provide analysis.*

11
12 REF: EB-2017-0364, Exhibit JT 2.25

13
14 It appears to the Council that approximately 8 months after Hydro One first advised the
15 Ontario Energy Board that it was prepared to submit a Leave to Construct for the
16 proposed project including a not to exceed price, Hydro One has represented to the Board
17 that it has developed a project proposal with a total combined development and
18 construction cost of \$636M, with a forecast accuracy of -5% to +6%.

19
20 **Interrogatory:**

- 21 a) Based on the quality of the estimate as described by Hydro One, is Hydro One able to
22 commit to a not to exceed price, as it originally asserted it would, of \$636M? If not why not?
23
24 b) Based on the quality of the estimate as described by Hydro One, is Hydro One able to
25 commit to a not to exceed price, as it originally asserted it would, of \$676M, which is
26 comprised of the base estimate plus the forecast potential variance of 6%? If not why not?
27

28 **Response:**

- 29 a) Please refer to Exhibit I, Tab 1, Schedule 18.
30
31 b) Please refer to Exhibit I, Tab 1, Schedule 18.

1 **Biinjitiwaabik Zaaging Anishinaabek Interrogatory # 2**

2
3 **Reference:**

4 HONI Application EB-3027-0364 Exhibit B, Tab 7, Schedule 1 (see Table 2 and Table 3)
5 (February 15, 2018)

6
7 **Interrogatory:**

8 Please include detailed records of consultation spending for each First Nation and Metis
9 community to date. Please provide an explanation for any differences in the amount of
10 consultation spending for between any First Nation and/or Metis community.

11
12 **Response:**

13 The costs associated with completing the Project were outlined in Exhibit B, Tab 7, Schedule 1
14 of the prefiled evidence and have been updated in Exhibit I, Tab 1, Schedule 11. The specific
15 costs associated with a specific group, e.g., an impacted First Nation or a property owner, are not
16 relevant to the determination of whether the Project as a whole will be in the best interest of
17 Ontario ratepayers with respect to prices and reliability and quality of electricity service.

1 **Biinjitiwaabik Zaaging Anishinaabek Interrogatory # 4**

2
3 **Reference:**

4 HONI Application EB-2017-0364 Exhibit B, Tab 7, Schedule 1 (see Table 2 and Table 3)
5 (February 15, 2018)

6
7 **Interrogatory:**

8 Please provide a detailed breakdown of the consultation budget on a go-forward for each First
9 Nation and Metis community, and in particular with respect to BZA. Please provide a detailed
10 explanation for any differences in the amounts budgeted for different First Nations and/or Metis
11 Communities.

12
13 **Response:**

14 Please refer to Exhibit I, Tab 9, Schedule 2. An updated summary of the Hydro One costs to
15 complete the LSL is provided at Exhibit I, Tab 1, Schedule 11.

1 **Biinjitiwaabik Zaaging Anishinaabek Interrogatory # 5**

2
3 **Reference:**

4 HONI Application EB-2017-0364 Exhibit C, Tab 1, Schedule 2, page 1 -2 (February 15, 2018)

5
6 **Interrogatory:**

- 7 1. Please provide copies of any reports or updates on First Nations or Metis consultation and
8 engagement provided to the MOE or MOECC, or any other crown department or agency,
9 and in particular with respect to BZA.
10
- 11 2. Please provide any assessments/feedback/responses from the MOE or MOECC, or any other
12 crown department or agency that consider/discuss/or assess HONI's reports and updates on
13 First Nation and Metis consultation.
14
- 15 3. Please also provide any evaluations that have been provided by the MOE and MOECC, or
16 any other crown department or agency, to HONI in relation to HONI's consultation efforts.
17 In particular, have any evaluations been provided by MOE and MOECC, or any other crown
18 department or agency to HONI in relation to HONI consultation efforts in relation to BZA?
19 If so, please provide a copy of those evaluations.
20
- 21 4. Has anyone from the MOE, MOECC, or any other crown department advised that the
22 consultation effort with respect to the First Nations and/or Metis communities, and in
23 particular with respect to BZA, been adequate for the purposes of the crown to fulfill its duty
24 to consult? If so, please produce a copy of the record and correspondence concerning the
25 same.
26

27 **Response:**

- 28 1. Please see Exhibit I, Tab 1, Schedule 14 for all MECP, ECCC, and Parks Canada
29 correspondence, and Exhibit I, Tab 1, Schedule 15 for MNRF and MNDM correspondence,
30 including that related to Indigenous consultation.
31
- 32 2. Refer to Response 1 above.
33
- 34 3. Refer to Response 1 above.
35
- 36 4. Refer to Response 1 above.

1 that the MNO cannot enter into discussions regarding accommodation measures, including
2 economic participation, because of exclusivity agreements they have with NextBridge.

3
4 2. 1) The terms and conditions of economic participation agreements are not finalized as Hydro
5 One has not yet commenced discussions on accommodation measures. Hydro One has been
6 forbidden by BLP's lawyer from discussing economic accommodations and/or participation
7 with these six First Nations¹, and Hydro One has also been told that BLP has entered into
8 exclusivity agreements with NextBridge.

9
10 2) As stated previously, Hydro One is prepared to offer a 34% equity interest to BLP.

11
12 3) Potential methods of economic participation for all Indigenous communities on the LSL
13 Project have also already been documented in this proceeding. To assist BZA, the applicable
14 references are Undertaking JT 2.15 and JT 2.16 from the NextBridge Motion to Dismiss the
15 Hydro One LSL application filed on May 25, 2018 (EB-2017-0364). Hydro One's
16 construction partner, SNC-Lavalin, is prepared to offer contracting, training and employment
17 opportunities. In addition, Hydro One is in a unique position to provide lasting employment
18 opportunities throughout its network across the province for skilled Indigenous workers,
19 beyond the construction of this Project.

20
21 3. All Indigenous communities have been offered capacity funding agreements in relation to this
22 project. Hydro One's construction partner, SNC-Lavalin, has an established track record in
23 Indigenous partnerships, joint companies and procurement for major projects in Ontario and
24 across the country, including specifically in Ontario's transmission sector. For many years,
25 they have developed proven relations and an ability to engage suppliers and optimize
26 Indigenous procurement. They have reflected on how to optimize opportunities and will be
27 including qualified Indigenous suppliers and companies who have strong relationships with
28 local Indigenous communities and businesses in their procurement of goods and services.

29
30 In addition to its economic participation offer to BLP, Hydro One is planning to install fiber
31 optic cable along the new transmission line and is committed to investigate the potential to
32 make available the excess fiber to support improved connectivity along the corridor of the
33 new line. Connectivity is especially weak along the corridor of the planned tie line, and
34 improved telecom access will open the possibility for several essential community services,
35 e.g. education, medical, etc. This could in turn provide economic opportunities for

¹ BLP evidence - May 7 2018 – March 5, 2018 Letter from BLP lawyers to Hydro One.

1 Indigenous telecom providers or Indigenous community-owned providers alone or in
2 partnership, or for other telecom providers, to develop the 'last mile connection' to
3 residences and businesses.

1 **Biinjitiwaabik Zaaging Anishinaabek Interrogatory # 8**

2
3 **Reference:**

4 HONI Application EB-2017-0364 Exhibit H, Tab 1, Schedule 1 page 2.

5
6 **Interrogatory:**

- 7 1. What employment opportunities has HONI offered, or does HONI expect to offer to
8 members of Biinjitiwaabik Zaaging Anishinaabek? Please provide details of each
9 employment opportunity, including the expected term of any position, job description and
10 salary.
11
12 2. Similarly, what contracts for services or procurements has HONI offered, or expect to offer
13 to Biinjitiwaabik Zaaging Anishinaabek or member operated businesses? Please provide
14 details of every anticipated service or procurement contract including the estimated value of
15 the contract and the term.

16
17 **Response:**

- 18 1. Please refer to Exhibit JT 2.15.
19
20 2. Please refer to Exhibit JT 2.21.

- 1 network across the province for skilled Indigenous workers beyond the construction of the
2 Lake Superior Link Project.
3
- 4 2. Please refer to Exhibit JT 2.21. Indigenous business participation in a variety of different
5 contracts has not yet been detailed. It is the goal of HONI and SNC-Lavalin to maximize
6 the inclusion of Indigenous businesses and community members throughout construction and
7 operations/maintenance in accordance with existing skill levels, experience and available
8 resources. Hydro One also anticipates encouraging/facilitating partnerships (Indigenous with
9 Indigenous businesses, and Indigenous with non-Indigenous businesses) to help increase
10 capacity to, in turn, increase the participation rate.
11
- 12 3. Please refer to Exhibit I, Tab 9, Schedule 2.

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Exhibit I

Tab 9

Schedule 11

Page 2 of 2

- 1 any determinations regarding Indigenous rights and the depth of consultation required for
- 2 each community: such determinations are a Crown responsibility.

1 **Biinjitiwaabik Zaaging Anishinaabek Interrogatory # 12**

2
3 **Reference:**

4 FinalTranscripts_HONI_MOTION_Technical_Conference_20180517 EB-2017 0364 page 247
5 (Filed May 17, 2018); and

6
7 HONI_LSL_TC_Undertaking JT.27 EB-2017-0364 Exhibit JT2.27 Page 1 (Filed 2018-05-
8 25)

9
10 **Interrogatory:**

11 At the technical conference on May 17, 2018, Ms. Goulais stated that in the 2013 designation
12 proceedings, the Bamkushwada communities were identified as being the most-impacted and the
13 most proximate to the project.

14
15 Please provide any/all memos, documents, correspondence either internal to HONI or with the
16 MOE where there is any discussion, determination or consideration of:

- 17
18 a) the level of consultation that may be afforded to the differing affected First Nations and
19 Metis groups;
20
21 b) which First Nations and Metis groups are the most directly affected.
22

23 **Response:**

24 It is the responsibility of the Crown to determine whether a Duty to Consult has been triggered
25 on a proposed project, and if so, the appropriate depth of consultation to be undertaken. In a
26 letter dated May 31, 2011, the Ministry of Energy delegated procedural aspects of consultation to
27 the Ontario Power Authority with regards to the East-West tie project. The letter is provided as
28 Attachment 1 of Exhibit JT 2.27 filed May 25, 2018. The Indigenous communities identified in
29 the letter included:
30

- 31 • Animbiigoo Zaagi'igan Anishinabek First Nation (Lake Nipigon Ojibway)
32 • Biinjitiwaabik Zaaging Anishinabek First Nation (Rocky Bay)
33 • Bingwi Neyaashi Anishinabek (Sand Point First Nation)
34 • Fort William First Nation
35 • Ginoogaming First Nation
36 • Long Lake No. 58 First Nation

- 1 • Michipicoten First Nation
- 2 • Missanabie Cree First Nation
- 3 • Ojibways of Batchewana
- 4 • Ojibways of Garden River
- 5 • Ojibways of Pic River (Heron Bay First Nation)
- 6 • Pays Plat First Nation
- 7 • Pic Moberg First Nation
- 8 • Red Rock Indian Band
- 9 • Greenstone Métis Council
- 10 • Red Sky Independent Métis Nation
- 11 • Superior North Shore Métis Council
- 12 • Thunder Bay Métis Council

13 Based on information received to date from Indigenous communities and the evidence of record
14 in this proceeding, BLP communities have defined themselves as most directly-affected by the
15 Project¹.

¹ EB-2017-0364 - BLP Evidence – May 7, 2018 – Affidavit of Chief Peter Collins at Paragraph 36

1 **East Loon Lake Campers' Association Interrogatory # 2**

2
3 **Reference:**

4 N/A

5
6 **Interrogatory:**

7 Why has Hydro One not agreed to move to the alternate route in light Nextbridge's move to the
8 alternate route in response to stakeholder feedback in the Loon Lake area?

9
10 **Response:**

11 Hydro One recognizes the level of consultation that occurred with community members and
12 reiterates that the preferred route remains the route that bypasses Loon Lake. Hydro One has
13 been asked to study an alternative route during its Individual Environmental Assessment (EA),
14 which is why it has been included in Hydro One's Terms of Reference document. Throughout
15 the entire lifespan of planning and building electrical infrastructure, including during the EA,
16 Hydro One makes all efforts to demonstrate thorough analysis of all factors along its preferred
17 route and alternative route sections.

18
19 As the preferred route remains the bypass, at this time Hydro One has not undertaken a detailed
20 analysis of construction needs, such as access roads, for the reference route alternative adjacent
21 to Loon Lake. At this time Hydro One also does not have any viewscape studies completed.
22 There is currently no approved EA for the Project, but Hydro One will be using as much publicly
23 available information as possible from previous consultation and environmental studies when
24 assessing the various routes.

1 **East Loon Lake Campers' Association Interrogatory # 3**

2
3 **Reference:**

4 N/A

5
6 **Interrogatory:**

7 If Hydro One considered the alternate route what was the rationale, cost and public interest
8 values, for rejecting the alternate route?

9
10 **Response:**

11 As provided in Exhibit I, Tab 10, Schedules 1 and 2, Hydro One reference's route is around the
12 Dorion and Lake Loon areas. The Hydro One alternative route, through Dorion and Lake Loon
13 areas, is also being studied. Therefore, Hydro One has not rejected the alternative route.

1 **East Loon Lake Campers' Association Interrogatory # 4**

2
3 **Reference:**

4 N/A

5
6 **Interrogatory:**

7 What are Hydro One's cost differences between the original route and the alternate route?

8
9 **Response:**

10 As answered in Exhibit I, Tab 10, Schedules 1, 2 and 3, the Hydro One reference route is around
11 the Dorion and Lake Loon areas. The Hydro One alternative route, through the Dorion and Lake
12 Loon areas, would cost approximately \$890K less than the reference route.

1 **East Loon Lake Campers' Association Interrogatory # 5**

2
3 **Reference:**

4 N/A

5
6 **Interrogatory:**

7 What is the ROW acreage for the original route and the alternate route?

8
9 **Response:**

10 The reference route for the bypass of the Loon Lake and Dorion communities has a ROW
11 acreage of approximately 609 acres. The reference route alternative has a ROW acreage of
12 approximately 453 acres.

1 **East Loon Lake Campers' Association Interrogatory # 6**

2
3 **Reference:**

4 N/A

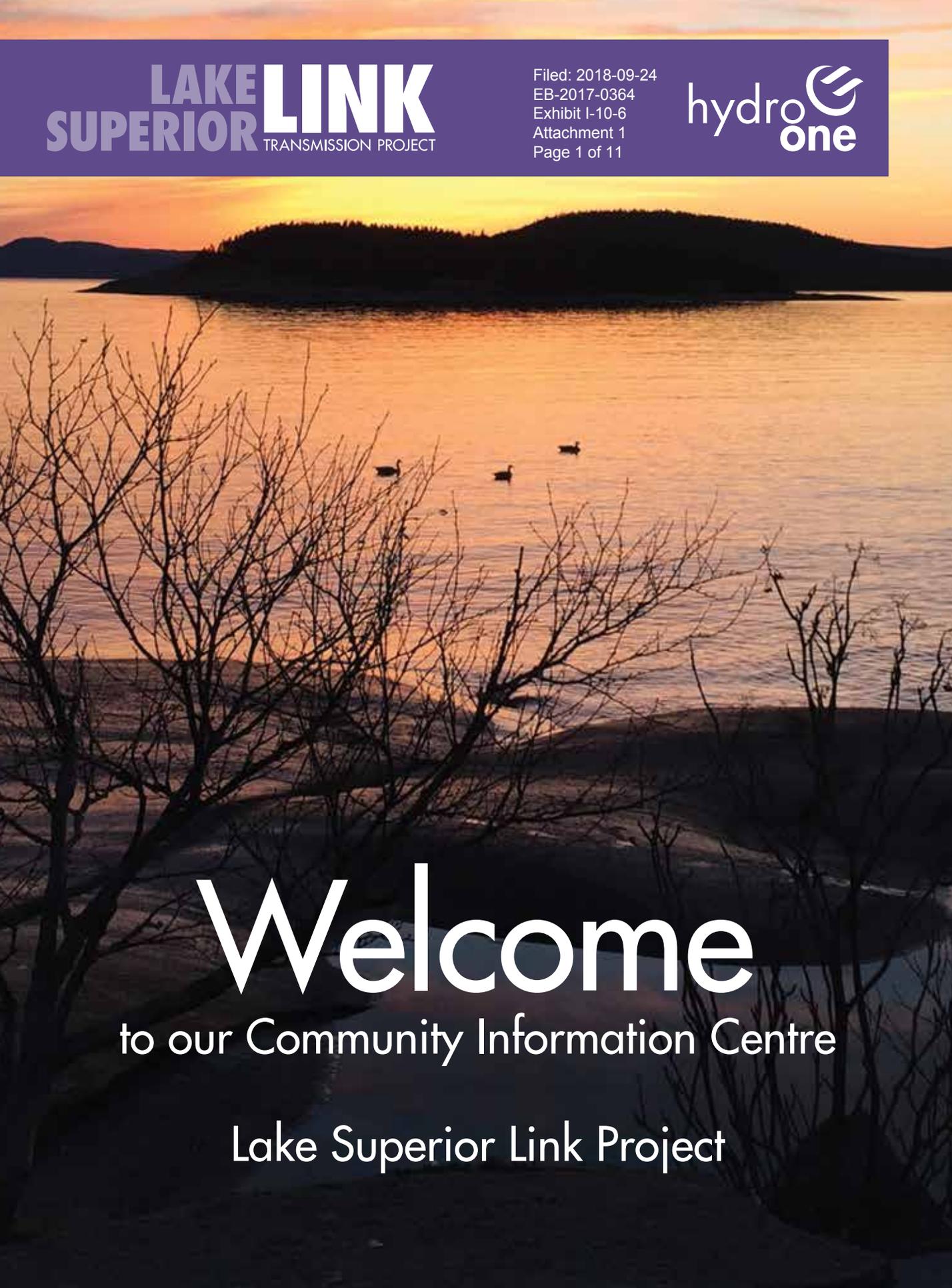
5
6 **Interrogatory:**

7 The viewscape impact of the original route has a cost to the public in loss of property values,
8 recreational use and tourism. What towers and line can be seen from the shores and waters of
9 Loon Lake for the original route?

10
11 **Response:**

12 Please refer to Exhibit I, Tab 10, Schedule 2.

13
14 Public Information Centre Panels for the requested viewscales are provided as Attachment 1 of
15 this response.



Welcome
to our Community Information Centre
Lake Superior Link Project

What is the Lake Superior Link?

The Lake Superior Link project is an approximately 400 kilometre, double-circuit 230 kilovolt transmission line which would primarily be built on or adjacent to Hydro One's existing East-West Tie transmission corridor between Lakehead Transformer Station (TS) in the Municipality of Shuniah, outside of Thunder Bay, and Wawa TS, just east of Wawa



The Hydro One Advantage

Hydro One's proposal is the **most cost-effective solution** to deliver the required power supply to northwestern Ontario while also **minimizing the environmental footprint**

When compared to other proposals to build the East-West Tie line:

Hydro One's reference route is approximately 50 km shorter overall

- Hydro One has the unique ability to modify existing infrastructure through Pukaskwa National Park, significantly reducing the length of the overall transmission line and reducing impact on the Park

Our reference route would use approximately 50% less land than NextBridge's proposal

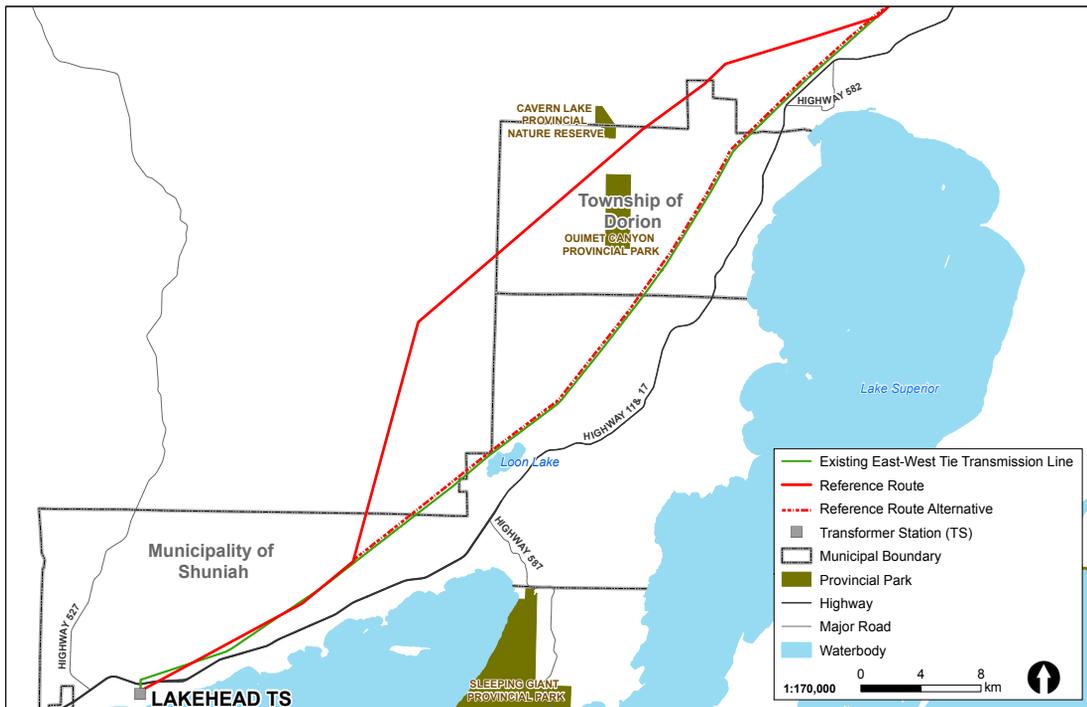
Hydro One will not be cutting new corridor or access routes through Pukaskwa National Park

- For the majority of the transmission line, Hydro One is proposing a narrower corridor (ranging from approximately 37 to 46 metres)

Today's Community Information Centre(CIC)

- Hydro One has initiated an Individual Environmental Assessment (EA) for the project. A Terms of Reference (ToR) was prepared to outline our work plan and submitted to the Ministry of Environment, Conservation and Parks (MECP)
- Based on feedback from stakeholders on the draft ToR released on June 11, 2018 Hydro One has added an additional reference route alternative in the Loon Lake/Dorion area
- Hydro One is responsible for evaluating alternative routes as part of the EA. Hydro One will be using existing studies and consultation records and will collect additional information on this alternate route as required
- Your participation today and comments received will be included in the Record of Consultation for our EA

Loon Lake/Dorion reference route alternative



The Dorion reference route alternative section follows the existing East-West Tie transmission line.

Visual Assessment

Hydro One has completed a visual assessment of the existing infrastructure and proposed tower locations of both the preferred route as well as the Loon Lake/Dorion reference route alternative along the existing transmission line.

Loon Lake – Reference Route Alternative



EXISTING CONDITION



PROPOSED TOWER LOCATION

Loon Lake – Preferred Route



EXISTING CONDITION



PROPOSED TOWER LOCATION

Terms of Reference

- The MECP reviews the ToR submitted by Hydro One
- The review includes a 30 day public comment period, which commences on September 7 and closes on October 7, 2018. The comment period will be advertised to stakeholders and the public.
- Hydro One's ToR will be available online at www.HydroOne.com/LakeSuperiorLink.
The ToR will be available for viewing in municipal offices, the MECP Thunder Bay and Toronto offices, during normal business hours.

All comments must be submitted to:

Antonia Testa
Special Project Officer
Environmental Assessment and Permissions Branch
Ministry of the Environment, Conservation and Parks
135 St. Clair Avenue West
Toronto, ON M4V 1P5
Tel: 416-325-5500
Fax: 416-314-8452
Email: Antonia.Testa@ontario.ca

What approvals are required?

- Prior to constructing the Lake Superior Link, Hydro One must seek and obtain approval from the Ontario Energy Board (OEB) and the Ministry of the Environment, Conservation and Parks (MECP), as described below
- Both the OEB and MECP approvals include opportunities for public and Indigenous participation and input into the decision-making process

OEB

Leave to Construct (S. 92 of the OEB Act, 1998)

In February 2018, Hydro One filed an application with the OEB to build, own and operate the Lake Superior Link project. In August 2018 the OEB has accepted Hydro One's application and is currently reviewing our proposal.

Once approved all conditions met and land rights acquired, Hydro One will be permitted to begin construction.

The OEB review of Hydro One's application includes provisions for public consultation, stakeholder and Indigenous participation.

The OEB process is separate from the EA process.

To be a formal participant in the OEB hearings please speak to Hydro One representatives for more information

MECP

Environmental Assessment (EA) approval under the Environmental Assessment Act

Terms of Reference (ToR)

A ToR establishes the framework for the preparation and review of the EA. It outlines how the EA will be conducted and helps ensure that the public, Indigenous communities and government agencies know what will be considered.

EA study

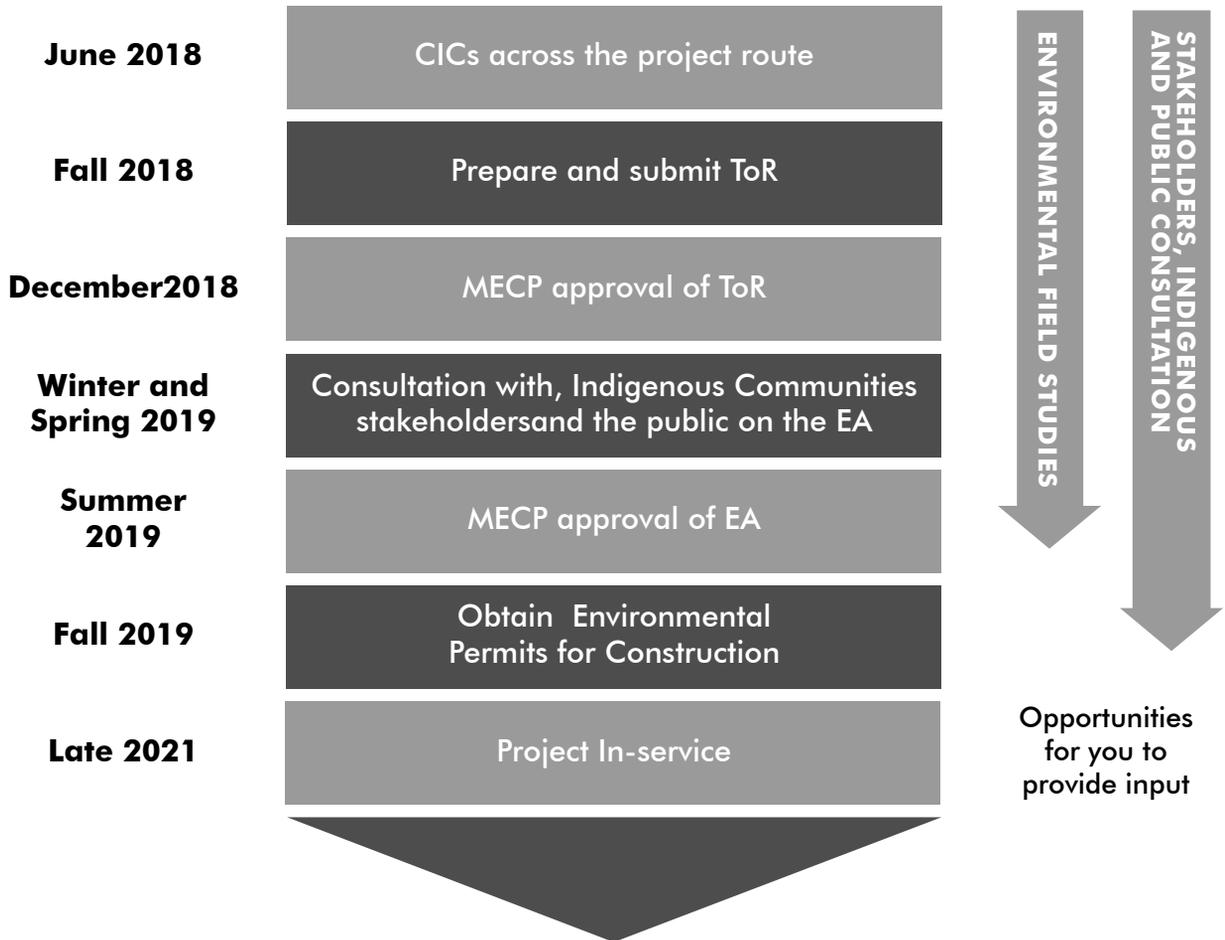
This EA study will compare Hydro One's reference route to reference route alternative sections. It will consider the design alternatives, measures to avoid and minimize potential effects, and identify advantages, disadvantages, and net effects of the alternatives.

Consultation

- We recognize the community has already participated in extensive consultation to determine the Loon Lake/Dorion bypass. Hydro One's preferred route continues to be the Loon Lake/Dorion bypass
- CICs were advertised and held in March and June 2018 in nine communities to introduce the project and seek input
- CICs are ongoing in Indigenous communities
- The public has the opportunity to participate and provide input during the EA process and through the OEB *Section 92. Leave to Construct* process

ANTICIPATED TIMING

CONSULTATION





Thank you for joining us today!

Your input is important to us.

Please share your feedback with our team and complete a comment form before you go.

For additional information about the project or to be added to the project contact list, please call or email:

1-877-345-6799

Community.Relations@HydroOne.com

For the most up-to-date project information and project updates can you also visit our project website:

www.HydroOne.com/LakeSuperiorLink

1 **East Loon Lake Campers' Association Interrogatory # 7**

2
3 **Reference:**

4 N/A

5
6 **Interrogatory:**

7 Has Hydro One factored into their economic costing the loss of property values, recreational
8 use and tourism, from the original route? What were those cost values?

9
10 **Response:**

11 As outlined in Procedural Order No. 4, this proceeding does not include a review of
12 environmental concerns or aesthetics. This includes and is not limited to socio-economic impacts
13 that are assessed as part of the individual EA.

1 **Long Lake #58 First Nation Interrogatory # 1**

2
3 **Reference:**

4 Hydro One, LSL Environmental Assessment, Revised Draft Terms of Reference dated August
5 2018 ('EA ToR"), Page 37:

6
7 "Storage, laydown and fly yards will be required to receive and distribute materials and
8 equipment needed for construction of the transmission line. The EA will assess sites for
9 potential usage as yards and it is expected -that these yards will be established in strategic
10 locations near the Project and communities. Materials, equipment and supplies from the
11 storage yards will be transported by truck to laydown yards or to structure locations within
12 the ROW, as required. The contractor may choose to transport materials by helicopter to
13 structure locations not accessible by ground vehicle, and more specifically to those tower
14 locations within PNP. Permits and/or authorizations for the storage and fly yards will be
15 obtained prior to their use, where applicable. Further details on number and size of yards will
16 be determined later in the EA process."
17

18 **Interrogatory:**

- 19 1. Has a determination been made regarding the location of supportive infrastructure sites
20 including storage, laydown and fly yards? If not, what process will be used to select the
21 supportive infrastructure sites? For example, please describe the geotechnical, ecological
22 and archaeological studies to be undertaken with respect to supportive infrastructure sites.
23
24 2. What First Nation participation will occur during the site selection process?
25

26 **Response:**

- 27 1. The locations of the supportive infrastructure sites have been initially spotted in areas that
28 currently exhibit the ideal location attributes, which include proximity to work areas, ability
29 to access, proximity to existing infrastructure and minimum ground disturbance to upgrade to
30 required standards. The project is now underway to study and confirm these attributes for
31 each of these locations, including stakeholder permitting, field proofing, and environmental
32 assessments.
33

34 With respect to environmental approvals and studies, this will be included as part of the EA
35 work. Study and consultation pertaining to the tentative locations is in progress, and Hydro
36 One is in the process of identifying if these locations are suitable. The same principles of

- 1 environmental assessment will apply to the evaluation of sites, i.e. to minimize and mitigate
2 the negative impact to the environment. Studies to be undertaken are the same as those
3 outlined in the EA documentation.
4
- 5 2. Consultation with Indigenous communities on the selection of supportive infrastructure sites
6 will be part of the overall project Indigenous consultation approach. Refer to the
7 consultation plan in Exhibit I, Tab 1 Schedule 15, Parts a, b and d, for further detail.

1 **Long Lake #58 First Nation Interrogatory # 3**

2
3 **Reference:**

4 EA ToR, record of Consultation for the Terms of Reference, Appendix F Indigenous
5 Community Correspondence, Archaeological Research Associates Ltd. (ARA) Letter dated
6 July 29, 2018 RE: Lake Superior Link Stage 1 and 2 Archaeological Assessments, Project
7 Introduction and Invitation to Participate:
8

9 **Interrogatory:**

- 10 1. Have Stage 1 and 2 archaeological studies been completed along the corridor? Have any
11 artifacts been found? If so, what process is in place for engaging with First Nations?
12
13 2. Were Stage 1 and 2 archaeological studies conducted for the supportive infrastructure sites?
14 If so, were artifacts found? How will First Nations be engaged if artifacts are found?
15
16 3. Should Stage 3 and/or 4 archaeological work be necessary would Long Lake #58 First Nation
17 be permitted to send archaeological monitors?
18

19 **Response:**

- 20 1. Stage 1 and 2 archaeological studies are currently in progress but reports are not yet
21 completed. The process for engaging Indigenous Communities is outlined in response
22 Exhibit I, Tab 1, Schedule 15. With respect to archaeology, all interested Indigenous
23 communities have been offered the opportunity to provide monitors during the
24 archaeological studies and have been offered capacity funding for this activity. If there are
25 any findings, Hydro One will engage Indigenous Communities regarding next steps.
26
27 2. Stage 1 and 2 archaeological studies will be included for supportive infrastructure sites where
28 the ground will be disturbed. Engagement of Indigenous Communities will be the same as
29 that described in part 1) above.
30
31 3. Yes, Long Lake #58 First Nation would be engaged to determine if they would like to send
32 monitors, and capacity funding will be made available.

1 **Long Lake #58 First Nation Interrogatory # 5**

2
3 **Reference:**

4 N/A

5
6 **Interrogatory:**

- 7 1. Taking into consideration Ontario's 2017 Long Term Energy Plan, how has future expansion
8 along with the proposed LSL been considered in your feasibility analysis and EA process?
9

10 **Response:**

- 11 1. The 2017 Long Term Energy Plan (LTEP) states that "the IESO's demand outlook indicates
12 that there will be no need for any major expansion of the province's transmission system
13 beyond the projects already planned or under development." The projects in the North
14 already planned or under development, other than the East-West Tie (Hydro One's proposed
15 LSL) include:

- 16 a. The 230 kV line from the Dryden area to Pickle Lake; and
17
18 b. The 230 kV Northwest Bulk Transmission Line (NWBTL), consisting of: Phase 1, a
19 new transmission line from Thunder Bay to Atikokan; Phase 2, a new transmission
20 line from Atikokan to Dryden; and Phase 3, a new transmission line from Dryden to
21 the Manitoba border.
22

23 Other than the LSL and the NWBTL connecting to Lakehead Transmission Station near
24 Thunder Bay, these projects do not have other attributes that would require special
25 consideration regarding feasibility for the LSL.
26

27 With respect to the EA process, as identified in the draft ToR, an extensive alternatives
28 assessment process has been previously performed by the MoE, MNM, OEB and IESO as
29 part of the needs assessments and rationale for the project conducted by OPA and IESO. In
30 these assessments, other alternatives to the LSL undertaking, such as local generation and
31 other transmission solutions, were assessed; and the proposed East-West Tie Corridor
32 Expansion transmission project was identified as the preferred option by IESO. This
33 preferred option considered other development projects in northern Ontario, as described
34 above. Therefore, Hydro One is preparing a focused EA as requested and is not revisiting
35 these previous needs assessments and studies.