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Director – Major Projects and Partnerships
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BY COURIER

February 12, 2019

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

Dear Ms. Walli:

EB-2018-0257 - Hydro One Networks Inc.'s Section 92 – Côté Lake Mine Connection Project – Submission

In accordance with Procedural Order No. 1, please find attached the Submission in support of the leave to construct sought by Hydro One to complete the Côté Lake Mine facility connection Project (The“Project”) to supply mine facilities owned by IAMGOLD.

An electronic copy of this Submission has been filed through the Ontario Energy Board’s Regulatory Electronic Submission System (RESS). Hard copies will be couriered shortly.

Sincerely,

ORIGINAL SIGNED BY JOANNE RICHARDSON

Joanne Richardson

Attach.

1 **IN THE MATTER OF** an application made pursuant to sections 92 and 97 of the
2 *Ontario Energy Board Act, 1998* by Hydro One Networks Inc. for approval to upgrade
3 one circuit of a 115 kilometre idle 115 kilovolt electricity transmission line and
4 associated station facilities from Hydro One’s Timmins Transformer Station to
5 Shiningtree Junction. These upgrades will supply IAMGOLD’s Côté Mine facility
6 located approximately 20 km southwest of Gogama, Ontario.

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9 **HYDRO ONE SUBMISSION**

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11 **February 12, 2019**
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14 Hydro One has applied to the Ontario Energy Board (“Board”) for an order granting
15 leave to upgrade one circuit, known as the T2R circuit, of a 115 kilometre idle 115
16 kilovolt (“kV”) electricity transmission line and associated station facilities from Hydro
17 One’s Timmins Transformer Station to Shiningtree Junction pursuant to Section 92 and
18 97 of the *OEB Act, 1998*, for the Côté Lake Mine Connection Project (The “Project”).

19
20 The proposed re-energization of the T2R line is the result of a customer request,
21 IAMGOLD Ltd. (“IAMGOLD”), that will enable the connection of IAMGOLD’s Board
22 approved Leave to Construct transmission project¹ to build a 44 km greenfield 115 kV
23 line that will connect to the Hydro One reenergized T2R line, at Shiningtree Junction to
24 supply load to IAMGOLD’s Cote Lake Mine facility. IAMGOLD’s project received
25 leave to construct approval from the board on December 6, 2018. Together the combined
26 IAMGOLD and Hydro One projects are considered to be the least economically
27 impactive alternatives to connect.

28
29 The currently idle T2R circuit is situated on the same tower structures as the adjacent and
30 energized T61S circuit, a 115 km 115 kV circuit approaching end-of-life and currently
31 serving Hydro One customers. Hydro One is proposing to refurbish the T61S circuit
32 immediately after the upgrade and in-service of the idle T2R line avoiding extensive
33 outages by allowing the T61S load to be transferred to T2R and taking advantage of work
34 common to both lines. During the refurbishment and outage of the T61S circuit, the T2R
35 circuit will have adequate capacity to supply load to both the existing Hydro One
36 customers, which would be normally provided by the T61S line, and to the IAMGOLD

¹ EB-2018-0191 – Approval Dated December 6, 2018

1 mine.

2

3 OEB Staff provided the only submission on this Application. OEB Staff submitted that
4 (a) it has no concerns with the Board's approval of Hydro One's application with respect
5 to need, alternatives, price, reliability and quality of service, and (b) leave to construct the
6 Project should be granted.

7

8 Hydro One agrees with Board Staff's submissions. Staff has proposed the standard
9 conditions of approval for a s.92 which includes that construction must commence within
10 12 months from the date of the Decision and Order of this application. Recently,
11 IAMGOLD announced a six month delay to the commencement of construction of the
12 Cote Lake Mine facility (see attached letter). Hydro One recognizes that this unforeseen
13 customer determined delay may impact the start of construction for the project and the
14 ultimate in-service date and therefore requests the Board provide an eighteen (18) month
15 period, from the date of the Decision and Order.

16

17 Hydro One will enter into a Connection and Cost Recovery Agreement with IAMGOLD
18 and will only undertake work that the customer has agreed to recover. Hydro One will
19 inform the Board if there are any material changes to the project timeline. It is anticipated
20 that the T61S refurbishment work will also be impacted in a linear (timing) way.

21

22 The Board recently approved IAMGOLD's leave to construct application² of
23 approximately 44 km of transmission line that would connect to Hydro One's proposed
24 upgraded 115 kV line facilities, as brought forward in this Application which will
25 facilitate the supply to IAMGOLD's Cote Lake Mine facility. Additionally, given the fact
26 that OEB Staff raised no concerns with the application and no other submissions were
27 received from any other party, Hydro One believes the transmission line and facilities
28 upgrade alternative as proposed is the most cost effective and best alternative for the
29 connection of IAMGOLD's Cote Mine facilities and accordingly requests the Board to
30 find the Project to be in the public interest.

31

32 All of which is respectfully submitted for the Board's consideration.

² EB-2018-0191 – Board Decision and Order; dated December 6, 2018.

February 12, 2019

Hydro One

Attention Mr. Mark Artymko,

Further to our prior discussion and the recent IAMGOLD announcement, I can confirm that IAMGOLD is still very much committed to the Cote Gold Project. As noted, the project has been de-risked substantially and IAMGOLD is committed to its continued development and bringing it to full operation. Based upon the existing market conditions and IAMGOLD's commitments to other projects, we currently envision the deferral of a positive construction decision to be approximately 6 months with an overall project delay of 12 months. Further delays may be required depending on future market conditions. I can ensure Hydro One that IAMGOLD is still very much committed to the Cote Gold Project. As such, replacement of the Hydro One's T2R line is still required.

In particular, we would request that Hydro One continue to pursue leave to construct from the Ontario Energy Board and any other critical path activities necessary to ensure the project would be complete and operational with an in-service date to be defined by Hydro One and agreed upon with IAMGOLD. We acknowledge Hydro One's obligation to protect other ratepayers and IAMGOLD understands its obligation to ensure Hydro One is paid for the work being performed. We can arrange a meeting to discuss the details of any changes to the schedule and their implications at your earliest convenience.

Sincerely,

ORIGINAL SIGNED BY STEVEN BOWLES

Steven Bowles
Project Manager
Cote Gold Project