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Director – Major Projects and Partnerships
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BY COURIER

June 13, 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-2019-0077 – S.92 Application – South Nepean Project – Supplemental Information Request

Hydro One recently responded to questions from OEB Staff regarding three areas of interest in the South Nepean Project. Hydro One is asking that this letter be added to the Application's record, EB-2019-0077.

Question 1. Please provide background as to why Hydro One considers it unnecessary to apply for a s.101 approval in the S.92 Application:

Q1 Response:

Hydro One has no need to avail itself of the opportunity offered by s. 101, because sections 41(1) and 41(5) of the *Electricity Act, 1998*, authorize every Ontario transmitter and distributor to construct and install structures and facilities, without the owner's consent, on or over any public street or highway, if the transmitter or distributor considers such structures and facilities to be necessary.

Hydro One will, however, engage with representatives from the City of Ottawa and the Ministry of Transportation ("MTO") as they have jurisdiction over the various public roads and highways that are crossed by the proposed Power South Nepean transmission line to ensure compliance with s. 41(9) of the *Electricity Act, 1998*. Hydro One will obtain encroachment permits from the MTO, as may be required, for the installation of the new 230 kV transmission line associated with the construction and stringing of the proposed Power South Nepean transmission line within MTO owned lands.

Question 2. Please provide an updated in regards to the real estate activities for private land owners as discussed in Exhibit E, Tab 1, Schedule 1:

Q2 Response:

Hydro One has initiated land acquisition activities. Activities and progress to date are outlined in the list below:

- Hydro One has conducted title searches of all impacted lands owners requiring the acquisition of land rights;
- Hydro One has made contact with all land owners, explaining Hydro One requirements, its land acquisition process and project specific Land Acquisition Compensation Principles (“LACP”);
- Hydro One has completed 100% of all required early access agreements with impacted land owners to allow for pre-construction and environmental assessment activities;
- Hydro One has completed property valuation inspections on all properties requiring the acquisition of land rights;
- Hydro One has completed 100% of property valuation appraisals and is now proceeding with presentation of offers for Option Agreements;
- Hydro One has made formal offers for the necessary land rights required to site the new transmission line to 25% of impacted land owners. By the end of June, all impacted land owners will have a formal offer presented;
- Hydro One’s land acquisition timelines remain on schedule and consistent with past major projects timelines which have led to positive land owner interaction and the acquisition of land rights voluntarily;
- To date, no discussions with impacted land owners have suggested the need to expropriate.

Question 3. Although beyond the scope of the Board’s review and approval, please provide an update regarding the progress and expected timing of environmental approvals required for this project.

Q3 Response:

Background

Two specific environmental jurisdiction processes and approvals are required for this project.

1. The first is an Ontario-based and must comply with the provincial Environmental Assessment Act Class EA process, and
2. The second is Federal related and must comply with the Canadian Environmental Assessment Act (CEAA) Section 67. A small section of the Project line route is owned and managed by two Federal jurisdictions; i) the National Capital Commission (NCC) and ii) the Canadian Food Inspection Agency (CFIA). The Ministry of Environment, Climate Change Canada regulates all endangered species on Federal lands, and as such trigger’s there approval requirements.

The following are updates for both jurisdictions;

1. Provincial Environmental Assessment (EA) Act - Hydro One Class Environmental Assessment for Minor Transmission Facilities.

Status:

The joint project team (the Team) includes both Hydro One and Hydro Ottawa as co-proponents. The Team has been working on completing all processes, procedures and technical impact assessments since the Fall of 2017. Throughout 2018, technical environmental field studies continued and several technical project team meetings were held with various government agencies to discuss environmental impacts and impact mitigation measures. Several meetings with City of Ottawa and Ontario Ministry of Environment, Conservation and Parks (MECP) staff also occurred to analyze site & corridor options and to ensure the preferred alternative for Hydro Ottawa's MTS site and transmission corridor avoid a specific City of Ottawa managed capped landfill site (located near Cambrian Road and Moodie Drive). From 2017 to the end of 2018, four Community Information Centres (CICs) were held in the South Nepean area to consult with the local public, property owners and agency representatives, as well as in-person meetings with two First Nation communities.

A final draft Environmental Study Report (ESR) summarizing all environmental studies and consultations was completed in early 2019 and was available for public and agency review between March 11 to April 26, 2019, consistent with the required 45 day public review period. Hydro One received only a minor number of constructive technical comments from municipal, provincial and Federal agencies. One comment was received from Algonquin's of Ontario (First Nation) suggesting edits to an archaeological assessment report, and only one public inquiry asking about the Project's next steps. No major issues were raised during any of the stakeholdering undertaking, or during the comment period, or from any of the agencies/ministries. As a result there was no EA Act Part II Order EA Act environmental assessment appeals received.

The ESR made commitments to ensure that all construction level environmental permits and environmental specifications are in place for selected sensitive areas. Completion of Stage 2 archaeological assessment field work is currently in progress now with no archaeological resources identified thus far.

Finally, to summarise the current Provincial EA status, the project team is currently making small amendments towards completing the final ESR document. The Team is targeting filing the 'Notice of Completion' along with the final ESR with the Ontario Ministry of the Environment, Conservation and Parks (MECP) in early July 2019, at the latest. Notwithstanding the need to obtain permits in specific areas, as necessary and standard procedure, and finalizing private landowner easements, project construction activities could begin (for example if a S.92 OEB approval was not required) on all non-Federal land parcels after the Notice of EA Completion is filed. Of course construction activities will not commence until OEB s.92 approval is obtained.

2. Federal Lands - Canadian Environmental Assessment Act (CEAA) – Section 67 Process and Federal Lands Environmental Permit

Status:

A small section of the existing Hydro One line route corridor crosses Federal lands which fall under the jurisdiction of the National Capital Commission (NCC) and the Canadian Food Inspection Agency Lands (CFIA). Any new tower or access routes being proposed for construction on these lands requires completion of the process and approval of the Canadian Environmental Assessment Act (CEAA) Section 67 and obtaining permits if any endangered species or species at risk are thought to be directly impacted. The project team held several meetings with CEAA staff in preparation for the CEAA Section 67 application submission to understand any additional new technical studies required for the submission. One Butternut tree (endangered species) in the existing corridor is being planned for removal after inspection by the project team and arborist. This will trigger the need for a permit. The tree assessment by a certified arborist will occur next week as part of the Federal permit requirements. A Stage 2 archaeological assessment is currently in progress on the Federal lands with early field results indicating that no archaeological resources have been identified thus far. The project team is planning to make the CEAA S.67 submissions, provide the required technical studies and permit applications by the end of June, 2019, to allow for a the standard two month federal review period. Hydro One anticipates receiving the approval by end of August 2019, in line with the planned project construction date, and requested S.92 approval, in September 2019.

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

Sincerely,

ORIGINAL SIGNED BY JOANNE RICHARDSON

Joanne Richardson