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**BY EMAIL**

August 9, 2019

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

Dear Ms. Walli:

**Re: Ontario Energy Board File Number EB-2019-0077**

**Hydro One Networks Inc. and Hydro Ottawa Limited  
Application for Leave to Construct - Power South Nepean Project**

In accordance with Procedural Order No. 1, please find attached the OEB Staff Interrogatories in the above noted proceeding. The attached document has been forwarded to the applicants and to all other registered parties to this proceeding.

Yours truly,

*Original Signed By*

Judith Fernandes  
Case Manager

Encl.

## **Ontario Energy Board (OEB) Staff Interrogatories**

### **APPLICATION FOR LEAVE TO REBUILD AND EXTEND A TRANSMISSION LINE AND TO BUILD A MUNICIPAL TRANSFORMER STATION**

**EB-2019-0077**

**August 9, 2019**

#### **1-Staff-1: Planning Forecasts**

**Ref: Exh B-3-1/Att. 1/ Integrated Regional Resource Plan, p. 29  
Exh B/Tab 6/Sch 1/ p.3**

Figure 5-3 shows the Ottawa Region historical demand and the forecast scenarios which show a significant difference between the 2014 actual historical load level and the forecast starting point. The applicants state that this is due to the fact that historical demand includes the impact of actual weather at the time of peak, while forecast demand includes the expected demand of extreme weather at time of peak.

- a) Please provide more detailed information on the electricity demand drivers to support the forecasted demand growth beginning in 2015. Please include an updated demand forecast for the South Nepean area that shows both historical and forecast demand.
- b) Please comment on the stage of the anticipated developments in the South Nepean area – CitiGate Business Park, Nepean Town Centre commercial and high density residential areas, and the City of Ottawa Barrhaven South Expansion Community Design Plan
- c) Please provide any updates to the planning information provided in the pre-filed evidence given that the second regional planning cycle that is now underway.

#### **1-Staff-2: Electricity Demand Growth**

**Ref: Exh B-3-1/Att. 1/pages 41-43, Exh B-3-1/Att. 2/p.34  
Exh B-3-1/Att. 3/pages 3-4**

The application states that with forecasted growth, Hydro Ottawa anticipates the peak demand in the South Nepean area to reach 88MW by 2020 and 134 MW by 2032. The application also states that each of the three stations supplying the area is reaching, or has already reached its planning capacity and that the 115kV single circuit transmission line (S7M) which provides the primary supply to this area is also

approaching its limit, with forecast demand on this circuit expected to reach its capacity of 108MW in 2026.

- a) When does Hydro One anticipate utilizing the increased 230kV capacity of the S7M line?
- b) Please provide information on any plans that the applicants have for modifying the voltage of the existing stations connected to S7M or otherwise utilizing the 230kV capacity of the line.
- c) The application indicates that Hydro Ottawa plans for a capacity increase at Richmond DS to accommodate an industrial customer load of 20 MW.
  - i. Please provide a status update, confirming whether capacity has been increased and whether this load is now being served.
  - ii. If Hydro Ottawa's plans with respect to this large customer have changed, please explain, setting out the implications for the area load forecast.
- d) Please describe the impact on reliability for the existing stations and for the feeders supplied from these stations in the event that the 115kV circuit S7M is not available.

### **1-Staff-3: Transmission Alternatives**

**Ref: Exh B-3-1/Att 3/p.6**

**Exh B/Tab 5/ pages 1-3**

The IESO letter states that based on the timeline and magnitude of the need for additional supply capacity in South Nepean, it will not be feasible to address the need through additional conservation and local generation, and a new supply station and connection line are recommended for the South Nepean area.

The application states that four transmission alternatives were considered for the project. The application states that alternative 3 is the preferred and recommended alternative as it has the least community, landowner and environmental impact in addition to being the lowest cost alternative that provides for dual supply capacity to the South Nepean MTS and satisfies the IESO's Ontario Resource and Transmission Assessment Criteria.

- a) The evidence indicates that the IESO recommends an integrated solution, comprising conservation and additional transmission and distribution facilities to meet the growing demand. Please comment on or provide any information which demonstrates the IESO's support for the applicants' specific proposed solution.
- b) Please provide a cost estimate for alternative 4.
- c) Please provide information on any other alternatives that were considered for meeting the forecast growth in the South Nepean area but rejected, including non-wires alternatives.
- d) If the response to 1-Staff-1 indicates that the demand forecast for the South Nepean area is not as high as anticipated in 2015, please comment on whether additional local generation or conservation could be a solution to meet the growth forecasted for this area.

#### **1-Staff-4: Cost Responsibility**

##### **Ref: Exh B/Tab 9/p. 2**

It is stated that the cost of the line rebuild will be part of the line connection pool and will be borne by both Hydro Ottawa and Hydro One. Hydro One will be responsible for the avoided cost of the sustainment work and Hydro Ottawa will be responsible for the remainder of the line project cost which will be paid through load revenue and capital contribution.

- a) Please confirm whether the line project costs are included in Hydro One's application for its 2020-2022 transmission revenue requirement.
- b) Please confirm whether Hydro One will continue to own and operate the new double circuit line.
- c) Please comment on Hydro Ottawa's plans for the inclusion of the line and station costs of this project in its rate base, including whether Hydro Ottawa expects to recover these costs in its next cost of service application.

#### **1-Staff-5: Project Costs and Risks**

##### **Ref: Exh B/Tab 7/Sch 1/pages 6,7**

Hydro One and Hydro Ottawa are presumably in the midst of the development work for this project.

- a) Given the current stage of the development work, please comment on the AACE classification of the cost estimates provided in the application and whether any revision of these estimates is anticipated or required.
- b) Please confirm whether the budgeted contingency costs are sufficient to cover the identified risks.

#### **1-Staff-6: Physical Design**

##### **Ref: Exh C/Tab 1/Sch 1/pages 4,5**

The application states that the double circuit line will be built along the existing S7M corridor (a ROW width of 30.48 metres), except when it spans over National Capital Commission (NCC)-owned land where the width will not be expanded but will remain at 20.12 metres so that Hydro One's tower and lines will be designed to fit within the existing NCC corridor.

- a) Please confirm that with the exception of the NCC owned lands, the S7M corridor is being expanded so that the width of the corridor is 30.48 metres along the entire length of the ROW.

- b) Please explain the constraints on the ROW width over the NCC owned lands.
- c) Please explain why, for the remainder of the length of the ROW, the double circuit line is not being designed to fit within the existing corridor. Please discuss the cost, feasibility, environmental and other impacts as part of the explanation.

The application states that the existing S7M 115kV circuit is a radial feed to three existing stations: Fallowfield MTS, Richmond MTS, and Manotick DS, and that to maintain service to those stations during construction, Hydro One will require a temporary bypass to be constructed from the S7M Hunt Club Road connection point (STR 673N JCT) to Manotick JCT, and from Manotick JCT to Cambrian Road JCT.

- d) Please describe the specific measures relating to the proposed temporary bypass construction that will provide assurance that no degradation of service quality and reliability will occur as a result of the construction.
  - i. Please explain how and where the bypass will be constructed.
  - ii. Please describe if and how this impacts the construction on the ROW.

### **1-Staff-7: Land Matters**

#### **Ref: Exh E/Tab 1/Sch 1/p. 3 and Attachment 11**

The evidence states that the right-of-way (ROW) associated with the project will require new land rights and provides information on directly impacted properties.

- a) The ROW requires 10.43 hectares of land rights on lands owned by private landowners. Please provide additional information on the ownership of the privately-owned properties, identifying the number of residential properties and the number of commercial properties.
- b) Please provide an update on the negotiations for the new permanent land rights required for the project with private landowners, including any concerns that have been expressed by landowners with respect to the proposed project.
- c) Please provide an update on the status of the temporary access rights required for the project, including any concerns that have been expressed by these landowners.
- d) Please provide an update on the status of permits related to the use of federal and municipal lands, municipal roads allowances and highways, as well as the rail and water crossing.
- e) Please discuss any concerns that the applicants have with respect to obtaining any of required new land rights and/or permits for the project.
- f) Please advise on the status of the purchase and sale agreement entered into between the private landowner of the site of the new South Nepean MTS and Hydro Ottawa and when this will be executed.

- g) Please confirm whether the applicants intend to commence any construction work on the project prior to the completion of all land-related negotiations.

#### **1-Staff-8: Land-related Forms**

**Ref: Exh E/Tab 1/Sch 1/p.7 and Attachments 2-9**

The applicants have provided the land rights agreements that will be used to obtain the required land rights for the project.

- a) Please confirm that all of the affected property owners had the option to receive, or will receive the option of, independent legal advice regarding the land agreements.
- b) Please clarify whether approval of the form of agreements is being sought by both Hydro One and Hydro Ottawa or whether it is only Hydro One that requires this approval.
- c) Please confirm that the forms of agreements are consistent with agreements previously approved by the OEB in Hydro One leave to construct decisions.

#### **1-Staff-9: Project Schedule**

**Ref: Exh B/Tab 11/Sch 1, Project Schedule**

The applicants provided a project schedule, setting out the construction and in-service timelines.

- a) Please update the Project Schedule at the above reference if the schedule has changed.
- b) The applicants have indicated that they hope to receive a leave to construct order by September 25, 2019. Please comment on the impact to the proposed in-service date of November 2021, if the OEB's decision is issued after that date.

#### **1-Staff-10: Risks**

**Ref: Exh E-1-1/Att 10**

The applicants have indicated that the project requires the following environmental approvals - compliance with the provincial Environmental Assessment Act Class EA and the Section 67 of the Canadian Environmental Assessment Act, 2012.

- a) Please comment on the current status of these approvals.

**1-Staff-11: Costs of Comparable Projects**

**Ref: Exh B/Tab 7/Sch 1, Tables 1 and 5, pages 1 and 9**

- a) Please explain the discrepancy in the real estate costs for the project listed in Table 5 (\$5.8M) versus in Table 1(\$4.9M).
- b) Table 5 reflects \$5.5M in costs for foundation micropiles. Please provide more information on the necessity of these materials for the project, including whether this is required for the entire length of the ROW and whether these are part of the Materials cost listed in Table 1.