

Hydro One Networks Inc.
7th Floor, South Tower
483 Bay Street
Toronto, Ontario M5G 2P5
www.HydroOne.com

Tel: (416) 345-5393
Fax: (416) 345-6833
Joanne.Richardson@HydroOne.com



Joanne Richardson
Director – Major Projects and Partnerships
Regulatory Affairs

BY COURIER

March 12, 2020

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

Dear Ms. Long:

Re: EB-2018-0117 – Hydro One Networks Inc.'s Section 92 – Barrie Area Transmission Upgrade Project – Information Update

Hydro One Networks Inc. (“Hydro One”) is providing this letter to the Ontario Energy Board (the “Board”) to update the Avoided Sustainment Work cost information included in Hydro One’s Barrie Area Transmission Upgrade (“BATU”) Project’s leave to construct application currently before the Board for approval.

Hydro One recently finalized a refinement to the estimate of the avoided sustainment credit¹ previously disclosed in the Application’s evidence. In the absence of the need for the BATU Project, Hydro One would have undertaken a sustainment project for both E3B and E4B circuits. This avoided sustainment cost is used to determine the cost allocation between Hydro One’s transmission rate base and the cost that the benefitting customer (in this case InnPower) will be accountable for, per section 6.7.2(b) of the Transmission System Code.

The revised avoided sustainment cost estimate (an AACE Class 3 estimate classification) is \$59.2M, an increase of \$3.0M, or approximately 5% from the prefiled evidence estimate of \$56.2M. As a result of the avoided sustainment cost refinement, the assessment of the customer’s capital contribution is reduced by \$1.3M, from \$15.7M to \$14.4M.

The change in this cost estimate does not impact the overall BATU Project costs. The cost estimate of the BATU Project (currently an AACE Class 3 estimate classification) remains unchanged at \$91.0M (\$86.4M capital in-service additions and \$4.6M removals cost).

¹ Exhibit B, Tab 7, Schedule 1, Pgs. 3-5



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

cc: IESO, InnPower