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BY EMAIL

July 25, 2022

Joanne Richardson
Director – Major Projects and Partnerships
Hydro One Networks Inc.
483 Bay Street, South Tower 7th Floor
Toronto ON M5G 2P5
Joanne.Richardson@HydroOne.com

Dear Ms. Richardson:

**Re: Hydro One Networks Inc. (Hydro One)
Leave to Construct Application – Barrie Area Transmission Upgrade
Ontario Energy Board File Number: EB-2018-0117**

The Ontario Energy Board (OEB) is in receipt of your letter dated June 30, 2022 (June Letter), in which you informed of material changes to the Barrie Area Transmission Upgrade Project (Project).

On April 23, 2020¹, the OEB granted leave to construct the Project. One of the conditions of approval was that unless otherwise ordered by the OEB, authorization for leave to construct would terminate 12 months from the date of the Decision and Order, unless construction had commenced prior to that date. Hydro One informed the OEB that construction of the Project commenced on October 19, 2020.²

Another condition of approval was that Hydro One was to advise the OEB of any material change in the Project. The changes identified in Hydro One's June Letter were: (i) a new Project in-service date of December 2023, representing an 18-month delay; and (ii) an approximately \$34.1 million (or 38%) increase in Project cost over the amount provided in the application.

¹ EB-2018-0117 / Decision and Order / April 23, 2020 / p. 20.

² Prior to notifying of construction commencement, Hydro One informed the OEB, by letter dated June 17, 2020, of delays in beginning construction due to customer-initiated delays and COVID-19 interruptions.

The OEB requires clarification from Hydro One on its June Letter. Hydro One's responses to the following questions will assist the OEB in determining how to proceed. The in-service date of the Project is within the term of Hydro One's Joint Rate Application³ (JRAP). The OEB therefore expects Hydro One to file a copy of this letter, and its responses to these questions, on the record of that proceeding.

OEB Questions for Hydro One on the June Letter:

1. In Hydro One's and the Independent Electricity System Operator's (IESO) assessment, are changes required to the IESO System Impact Assessment and Hydro One Customer Impact Assessment because of the in-service delay?
2. In Hydro One's and the IESO's assessment, will the in-service delay impact supply reliability given the age and / or end-of-life issues with the existing line and station facilities?
3. Does the estimated cost increase change the transmission alternative that Hydro One would have proposed in the Project's application? Please explain.
4. Does the estimated cost increase materially change the impact on a typical residential customer?
5. In terms of the increase in the Project's cost:
 - i. What does the most recent estimate represent in terms of Hydro One's project cost maturity level?
 - ii. Has Hydro One considered any further evaluation of its project cost estimation process and overall approach to project management needs for future projects?
6. Has InnPower Corporation objected to, or expressed any concerns regarding, the increase in Project cost, including any change to its required capital contribution?
7. How does Hydro One plan to accommodate the Project's cost increase in its capital program?

³ EB-2021-0110.

Hydro One is requested to provide responses to these questions as soon as possible and no later than August 8, 2022.

Yours truly,

Nancy Marconi
Registrar