

Hydro One Networks Inc.

483 Bay Street
7th Floor South Tower
Toronto, Ontario M5G 2P5
HydroOne.com

Joanne Richardson

Director, Major Projects and
Partnerships

☎ 416.902.4326

Joanne.Richardson@HydroOne.com

BY EMAIL AND RESS

September 30, 2022

Ms. Nancy Marconi
Registrar
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Marconi,

EB-2022-0140 - Hydro One Networks Inc.'s Section 92 - CxL Project - Update to Supplementary Interrogatory Responses

Hydro One is writing to provide an update to its response to Exhibit I, Tab 3, Schedule 5. At the time of filing the original interrogatory response, Section 16 Order Requests remained outstanding and were under review by Ministry of the Environment, Conservation and Parks in its assessment of Hydro One's Draft Environmental Study Report ("ESR"). Hydro One has now been advised that all Section 16 Order Requests have been withdrawn and Hydro One will be proceeding with finalizing the ESR, accordingly.

An electronic copy of the response has been submitted using the Board's Regulatory Electronic Submission System.

Sincerely,



Joanne Richardson

1 **HAUDENOSAUNEE DEVELOPMENT INSTITUTE**
2 **INTERROGATORY - 05**

3
4 **Reference:**

5 Project Costs

6
7 **Preamble:**

8 In Procedural Order No. 2, dated August 23, 2022, the Ontario Energy Board (“OEB”)
9 made

10 provision for supplemental interrogatories to allow parties to explore the
11 quantum of Environmental Assessment costs or costs related to
12 Indigenous consultation, that are included in the application.” The OEB also
13 indicated that it “would be assisted by a better understanding of what these
14 costs are forecast to be, to the extent that they are reflected in the Project
15 budget and are intended to ultimately be recovered through rates.

16
17 **Interrogatory:**

- 18 1) What is the quantum of Hydro One’s costs in relation to the Environmental Assessment
19 (alternatively, an Environmental Study Report)?
20 a. Please provide materials detailing Hydro One’s costs relating to the Environmental
21 Assessment and/or Study Report.
22
23 b. Do these costs include the completion and delivery of the final Environmental
24 Study Report?
25
26 c. If not, what are the expected costs to complete and deliver the final Environmental
27 Study Report?
28
29 d. When does Hydro One expect to deliver a final Environmental Study Report?
30
31 2) What is the quantum of Hydro One’s costs in relation to Indigenous consultation?
32 a. Please provide materials detailing Hydro One’s costs relating to Indigenous
33 consultation.
34
35 3) What is the quantum of Hydro One’s costs in relation to engagement and/or
36 consultation with the Haudenosaunee Confederacy, whether through the
37 Haudenosaunee Confederacy Chiefs Council (the “HCCC”) or the Haudenosaunee
38 Development Institute (“HDI”)?
39 a. Please provide materials detailing Hydro One’s costs relating to engagement
40 and/or consultation with the Haudenosaunee Confederacy, whether through the
41 HCCC or HDI.

- 1 4) What is the quantum of capacity funding provided by Hydro One to Indigenous groups
2 or Nations in relation to the proposed project?
 - 3 a. Please provide materials detailing Hydro One's provision of capacity funding to
4 Indigenous groups or Nations in relation to the proposed project.
5
- 6 5) What is the quantum of capacity funding provided by Hydro One to the
7 Haudenosaunee Confederacy in relation to the proposed project, whether through the
8 HCCC or HDI?
 - 9 a. Please provide materials detailing Hydro One's provision of capacity funding to the
10 Haudenosaunee Confederacy in relation to the proposed project, whether through
11 the HCCC or HDI.
12
 - 13 b. If capacity funding has not been provided to the Haudenosaunee Confederacy,
14 please explain why.
15
- 16 6) What is the quantum (actual or estimated) of Hydro One's costs in relation to the
17 following:
 - 18 a. Obtaining the consent of the Haudenosaunee, through the HCCC, to proceed with
19 the proposed project on land subject to established Haudenosaunee treaty rights
20 and interests?
21
 - 22 b. Justifying the infringement of established Haudenosaunee treaty rights and
23 interests resulting from Hydro One's proposed project?
24
 - 25 c. Responding to protest relating to construction of Hydro One's proposed project on
26 treaty lands?
27
 - 28 d. Hydro One's exposure to discrimination-based legal claims where Hydro One has
29 entered into equity agreements with particular Indigenous groups to the exclusion
30 of others?
31
- 32 7) Will the costs enumerated in Question 6 form part of Hydro One's future rate-based
33 applications in respect of the proposed project?
 - 34 a. How are the costs enumerated in Question 6 accounted for in terms of assessing
35 material risks associated with Hydro One's proposed project?

1 **Response:**

2 1)

3 a. The costs specific to the preparation of the Class Environmental Assessment
4 Report for the Chatham to Lakeshore Project are currently estimated to be
5 approximately \$3,500,000.

6
7 b. Yes.

8
9 c. Please refer to response to part b).

10
11 d. Given that all Section 16 Order Requests have now been withdrawn from the
12 Ministry of the Environment, Conservation and Parks (“MECP”), Hydro One will
13 be proceeding with finalizing the Environmental Study Report (“ESR”) for the
14 Project with an expectation of it being completed in Q4 2022. The MECP has
15 confirmed that no Minister decision will be required and Hydro One can proceed
16 to finalizing the ESR, per Section 3.4.3 of the Class EA for Minor Transmission
17 Facilities (July 2022).

18
19 2) Estimated costs directly related to Indigenous consultation initiatives are
20 approximately \$7 million. These costs take into account both project specific factors
21 (e.g., number and extent of communities affected, nature of impacts, etc.) and more
22 general factors (e.g., prior project experiences, planned engagements and external
23 resourcing requirements).

24
25 In this case, the Government of Ontario’s decision to delegate administrative
26 responsibilities of Crown consultation to Hydro One listed the Indigenous governments
27 to be consulted.¹ Hydro One’s overall project cost estimates are in alignment with
28 these requirements.

29
30 A portion of this cost estimate includes the possible provision for Capacity Funding
31 Agreements (“CFA”s). Capacity funding is intended to provide affected Indigenous
32 governments with internal and external resources in order to conduct consultative
33 tasks if required. This may include activities such as reviewing environmental and
34 archeological studies, conducting and participating in community meetings and taking
35 part in field activities. Capacity funding has been offered to all Indigenous
36 governments included in the Crown Delegation list for the Project.

¹ November 29, 2019 Ministry of Energy, Northern Development and Mines letter to Hydro One listing the Indigenous governments to be consulted is provided as Attachment 1 of this response.

1 The amount of funding contemplated under an individual CFA is commercially
2 sensitive and subject to negotiations which take into account the uniqueness of each
3 group and the specific circumstances. Hydro One's business practice is to not disclose
4 this information while understanding that this information may be disseminated to
5 members of a particular Indigenous government including leadership members.

6

7 3) Please see Response 2 above.

8

9 HCCC and HDI will have knowledge of the funding offered by Hydro One to support
10 consultation and assist in facilitating the HCCC/HDI participation, monitoring and
11 outstanding field work that was carried out during the spring of 2022. These amounts
12 do not result in a material impact to the rate impacts associated with the overall
13 estimated project costs. Nor do these costs result in any material change to the overall
14 project cost estimates as outlined in the Application.

15

16 In view of these circumstances, Hydro One does not consider disclosure of further
17 detail as providing additional assistance to the Board in its consideration of the relief
18 sought in this application.

19

20 4) Please see Response 2 above.

21

22 5) Please see Response 3 above

23

24 6) Capacity funding was provided to Haudenosaunee Confederacy to monitor and
25 participate in spring 2022 project fieldwork activities and, in line with Hydro One's
26 approach with Indigenous governments on the Project, has been offered additional
27 Capacity Funding to support other engagements required on the Project.

28

29 7) Hydro One's budgeting process does not specifically evaluate the items described in
30 Question 6 (a)-(d) above. Instead, and as noted in Response 2 above, the approach
31 considers project specific attributes, such as Indigenous government input, proximity
32 of the Project to an affected Indigenous community, consultations carried out with
33 communities, evaluation of the concerns raised through consultations, experience with
34 other projects and the costs to mitigate such impacts.