

October 18, 2023

**RESS & EMAIL**

Ontario Energy Board  
P.O. Box 2319  
27th Floor, 2300 Yonge Street  
Toronto, ON M4P 1E4

Attention: Ms. Nancy Marconi, Registrar

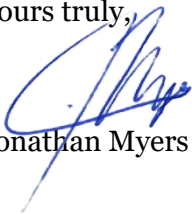
Dear Ms. Marconi:

**Re: Wataynikaneyap Power LP - Application for Approval of 2024 Electricity Transmission Rates (EB-2023-0168) - Unredacted Evidence Pursuant to Decision on Confidentiality.**

We are legal counsel to Wataynikaneyap Power LP (“WPLP”), which is the applicant in the above-referenced proceeding. Further to the Ontario Energy Board’s (the “Board”) Decision on Confidentiality issued on October 16, 2023 (the “Decision”) in respect of the above-referenced application, we enclose the now unredacted portions of Exhibits C-2-1 and B-1-5. Please note that we have made no changes to the evidence other than the removal of the redactions specified in the Decision.

If you have any questions, please do not hesitate to contact me at the number shown above.

Yours truly,



Jonathan Myers

cc: Ms. Margaret Kenequanash, WPLP  
Mr. Duane Fecteau, WPLP  
Mr. Charles Keizer, Torys LLP

**Exhibit B, Tab 1, Schedule 5, p .6 (as Amended)**

Project Costs

1

**Table 2 – Capital Expenditures by Year**

Year	Capital Expenditures (\$000's)		% of Cumulative
	Annual	Cumulative	
<b>Pre-2019 Actual</b>		68,039	4%
<b>2019 Actual</b>	44,812	112,851	6%
<b>2020 Actual</b>	338,064	450,915	25%
<b>2021 Actual</b>	443,354	894,269	50%
<b>2022 Actual</b>	392,413	1,286,683	70%
<b>2023 Forecast</b>	469,449	1,756,132	96%
<b>2024 Forecast</b>	81,105	1,837,237 <sup>3,4</sup>	100%

2

3 The timing of capital expenditures forecasted in Table 2 above is largely based on construction  
 4 activity by WPLP’s EPC contractor, based on the May 30, 2023 updated construction schedule  
 5 that is discussed in detail in Exhibit B-1-3. These expenditures are recorded as CWIP until the  
 6 related assets become used or useful. WPLP’s forecasted in-service additions are presented in  
 7 Exhibit C-2-1.

8 **2. Capital Expenditure Forecast by Category**

9 WPLP’s current forecast of its Transmission Project capital costs (excluding COVID costs) is  
 10 approximately \$1.82 billion inclusive of interest, or approximately \$1.91<sup>5</sup> billion inclusive of other  
 11 development, infrastructure costs (not forming part of the Transmission Project) and COVID costs.  
 12 WPLP’s equivalent forecast as presented in the 2023 rate application, was approximately \$1.81  
 13 billion, or approximately \$1.82 billion inclusive of other development and infrastructure costs.  
 14 These amounts, both for the current forecast and the forecast presented in the 2023 application, are

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<sup>3</sup> See Appendix to Exhibit C-2-1, Table A-1 for calculation of \$1,837 million of project costs. (Total Capital costs of \$1,906 million less Capitalized Interest \$69 million)

<sup>4</sup> This cost does not include any amounts that may be recorded in the proposed EPC COVID-Related Costs Deferral Account or in the 2021-2023 CCCDA (as proposed to be amended) upon the conclusion of the commercial discussions between WPLP and its EPC contractor.

<sup>5</sup> This cost does not include any amounts that may be recorded in the proposed EPC COVID-Related Costs Deferral Account or in the 2021-2023 CCCDA (as proposed to be amended) upon the conclusion of the commercial discussions between WPLP and its EPC contractor.

**Exhibit C, Tab 2, Schedule 1, pp. 9, 11-12 (as Amended)**  
In-Service Additions

1 costs of approximately \$88.5 million. Regarding the change orders noted in Table 5 above (which  
 2 include other anticipated costs), 2 change orders exceed application materiality, not including the  
 3 COVID-19 related costs of \$74.6 million<sup>7</sup> which are described in Exhibit H-2-2.

4 [REDACTED]

5 [REDACTED] The second relates to forest fires that occurred during the 2021 summer  
 6 construction season. The forest fires, along with MNRFF fire prevention orders, shut down all  
 7 construction on the project for an approximate six-week period<sup>9</sup>.

8 Variance analysis between approved and forecasted 2022 in-service additions for the Line to Pickle  
 9 Lake and Remote Connection Lines are summarized in Table 6 and Table 8 respectively.

10 **Table 6 – 2023 Line to Pickle Lake In-Service Addition Variance (\$000)<sup>10</sup>**

OEB Account and Description	Line to Pickle Lake (UTR Network Rate)		Variance
	2023 Rate Application	Forecast	
1715 - Station Equipment (Station and Transformers)	32,696	45,810	10,114
1715A - Station Equipment (Switches and Breakers)	6,241	6,278	37
1715B - Station Equipment (Protection and Control)	1,493	1,498	5
1720 - Towers and Fixtures	113,069	114,704	1,635
1725 - Poles and Fixtures	0	0	0
1730 - OH Conductor and Devices	133,750	154,025	20,275
<b>Total</b>	<b>290,249</b>	<b>322,315</b>	<b>32,066</b>

<sup>7</sup> These costs are or will be recorded in the 2021-2023 CCCDA until transfer to CWIP Account 2055, as proposed in Exhibit H.

8 [REDACTED]

<sup>9</sup> The cost impacts of the 2021 forest fires and MNRFF fire prevention orders are not yet known as WPLP and Valard are engaged in ongoing commercial discussions.

<sup>10</sup> In the WPLP Leave to Construct proceeding WPLP forecasted the Line to Pickle Lake costs before interest and

[REDACTED], detailed in Exhibit H-2-2, and other scope change orders.

1715 - Station Equipment (Station and Transformers)	161,415	187,966	26,551
1715A - Station Equipment (Switches and Breakers)	13,959	14,863	904
1715B - Station Equipment (Protection and Control)	6,776	7,540	764
1720 - Towers and Fixtures	241,411	273,449	32,038
1725 - Poles and Fixtures	32,786	33,581	795
1730 - OH Conductor and Devices	282,942	333,526	50,584
<b>Total</b>	<b>739,289</b>	<b>850,925</b>	<b>111,636</b>

1 As of April 30, 2023, WPLP has 15 executed or pending Change Orders, in addition to the ones  
 2 noted in the 2023 rate application, the majority relating to routing changes, COVID-19, additional  
 3 scope and 2021 forest fire/MNRF fire prevention order impacts.<sup>12</sup> These executed and pending  
 4 Change Orders represent additional forecasted costs of approximately \$31.4 million. Further  
 5 details on change order costs are provided in Table 9, below.

6 **Table 9 – Remote Connection Lines Changes**

	(\$000)
<b>Transmission Line Change Orders</b>	
Changes to Routing	702
██████████	██████
Additional Scope	375
<b>Substation Change Orders</b>	
██████████	██████
Additional Scope	682
██	██████
	<b>31,419</b>
<b>Change in Construction Schedule<sup>13</sup></b>	
Line WEG	58,712
Line WG1	2,075
Substation G	19,430

<sup>12</sup> The cost impacts of the 2021 forest fires and MNRF fire prevention orders are not yet known as WPLP and Valard are engaged in ongoing commercial discussions.

<sup>13</sup> This represents the CWIP costs for Sachigo Lake segment transmission assets which are planned to come into service in November 2023, as compared to the prior expected in-service date of May 2024.

	<b>80,217</b>
Total Variance	<b>111,636</b>

1

2 Regarding the change orders noted in Table 9 above excluding COVID, 2 individual change orders  
3 exceed application materiality. The first relates to a routing change for Muskrat Dam First Nation  
4 that was settled for \$1 million higher than forecasted in the 2023 rate application. The second  
5 change order relates to forest fires that occurred during the 2021 summer construction season. The  
6 forest fires, along with MNR fire prevention orders, shut down all construction on the Project for  
7 an approximate six-week period.

8 Variance analysis between overall capital cost estimates presented in EB-2021-0134 and WPLP's  
9 current capital cost estimates (excluding impacts of the COVID-19 pandemic, which are addressed  
10 in Exhibit H-2-2) are provided in Exhibit B-1-5. Fixed asset continuity and depreciation schedules  
11 are provided in Exhibit C-3-1.