

IN THE MATTER OF the Ontario Energy Board Act, 1998,
c.15 (Schedule B);

And in the matter of an Application by PUC (Transmission) LP pursuant to s. 92 of the *Act* for an Order or Orders granting leave to construct new transmission line and station facilities in the city of Sault Ste. Marie.

And in the matter of an Application by PUC (Transmission) LP pursuant to s. 97 of the *Act* for an Order granting approval of the forms of the agreement offered or to be offered to affected landowners.

And in the matter of an Application by Hydro One Sault Ste. Marie LP pursuant to s. 92 of the *Act* for an Order or Orders granting leave to construct station facilities and related work at Third Line TS.

And in the matter of an Application by Hydro One Sault Ste. Marie LP pursuant to s. 78 of the *Act* to create a new regulatory deferral account to capture certain costs related to station work.

And in the matter of an Application by Hydro One Sault Ste. Marie LP pursuant to s. 74 of the *Act* for an exemption from Section 11.2.1 of the Transmission System Code from the requirement for Algoma Steel Inc. to pay bypass compensation to Hydro One Sault Ste. Marie LP.

AFFIDAVIT OF SERVICE

I, DOMINIC PARRELLA, of the City of Sault Ste. Marie, **MAKE AN OATH AND SAY AS FOLLOWS:**

I am the Executive Lead, Special Projects for PUC Services Inc., for and on behalf of PUC (Transmission) LP (“PUC Tx”), and, as such, have knowledge of the matters hereinafter deposed to. Pursuant to the OEB’s Letter of Direction dated January 31, 2024 (the “Letter”) in the above-referenced case (attached to this Affidavit as **Exhibit 1**), PUC Tx has completed the following steps:

1. In accordance with paragraph 1 of the Letter, PUC Tx has conducted a search of title forthwith, sufficient to determine the current registered property owners and encumbrancers with lands or interest in the lands directly affected by the proposed construction of the transmission line and related facilities.

2. In accordance with paragraph 2, subsections a) and b) of the Letter, the Notice in English and French, in the exact form accompanying the Letter, application and evidence (**Exhibit 2**), were served directly on each specified individual or group by registered mail or courier for the transmission line and PUC Tx station facilities. A redacted copy of the Canada Post registered mail and courier service is attached as **Exhibit 3**.
3. In accordance with paragraph 2, subsections e), f), g), h) and i) of the Letter, an electronic copy of the Notice in English and French, in the exact form accompanying the Letter, application and evidence (**Exhibit 2**), was provided to each specified individual or group for the transmission line and PUC Tx station facilities. A copy of the email correspondence is attached to this Affidavit as **Exhibit 4**. PUC Tx served notice under paragraph 2, subsections e), f), h) and i) of the Letter on behalf of both PUC Tx and Hydro One Sault Ste. Marie LP.
4. Paragraph 2, subsections c) and d) of the Letter are not applicable to PUC Tx as:
 - a. there are no generators impacted by the transmission line or PUC Tx station facilities; and
 - b. PUC Tx does not currently have any transmission customers.
5. In accordance with paragraph 3, both the English and French versions of the Notice, the application and the evidence, and any amendments thereto were posted on PUC Tx's website. The form of notice posted on the website is attached to this Affidavit as **Exhibit 5**.

Sworn remotely by Dominic Parrella of the City of)
 Sault Ste. Marie in the Province of Ontario, before me)
 at the City of Toronto in the Province of Ontario,)
 on February 12, 2024, in accordance with O. Reg.)
 431/20, Administering Oath or Declaration Remotely.)

Colm Boyle)
 Colm Boyle (LSO 81369L))
 Commissioner for Taking Affidavits in the Province of)
 Ontario 2/12/2024)

Dominic Parrella)
 Dominic Parrella)
 2/12/2024)

The attached document is **Exhibit 1** to the Affidavit of Dominic Parrella.

Sworn remotely by Dominic Parrella of the City of Sault Ste. Marie in the Province of Ontario, before me at the City of Toronto in the Province of Ontario on February 12, 2024, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Colm Boyle

Colm Boyle

Commissioner for Taking Affidavits in the Province of Ontario

EXHIBIT 1
LETTER OF DIRECTION



BY E-MAIL

January 31, 2024

John Vellone
Borden Ladner Gervais LLP
22 Adelaide St. West
Toronto ON M5H 4E3
jvellone@blg.com

LETTER OF DIRECTION

Dear Mr. Vellone:

**Re: PUC (Transmission) LP and Hydro One Sault Ste. Marie
Application for Leave to Construct and Related Matters
Ontario Energy Board File Number: EB-2023-0360**

The Ontario Energy Board (OEB) has now issued its Notice of Hearing for PUC (Transmission) LP (PUC Tx) and Hydro One Sault Ste. Marie's (HOSSM) application for Leave to Construct transmission lines and station facilities and associated approvals (Notice). The English and French versions of the Notice will be published by the OEB, in accordance with directions to the OEB's agent which were copied to you. Please note that you must comply with the directions in paragraphs 1 through 3 below prior to **February 9, 2024**. If you are unable to comply with the directions within this timeframe, you must inform the Registrar immediately at registrar@oeb.ca.

You are directed:

1. To conduct a search of title forthwith, sufficient to determine the current registered property owners and encumbrancers with lands or interest in the lands directly affected by the proposed construction of the transmission line and station facilities.
2. No later than the date the Notice is posted on PUC Tx and HOSSM's websites in accordance with paragraph 3, to: arrange for the service of each of the enclosed English and French versions of the Notice, in the exact form accompanying this letter and the application and the evidence, directly on each of the following:
 - a) All property owners and encumbrancers with lands or interest in lands identified in the search of title referred to in paragraph 1

- b) All electricity distributors in whose service areas the proposed transmission line and related facilities will be located
 - c) All generators impacted by the proposed transmission line and related facilities
 - d) All transmission customers of PUC Tx and HOSSM impacted by the proposed transmission line and related facilities
 - e) All owners and operators of rail lines, telecommunications (e.g., telephone) or other utilities along or crossing the route and location for the proposed transmission line and station facilities
 - f) The Clerks of all municipal or township offices of the communities that the transmission line cross and where associate facilities are located
 - g) All indigenous communities that have been consulted or with lands or interest in the lands directly affected by the proposed upgrade and construction of the transmission line and related facilities
 - h) The following government ministries and agencies:
 - i. Ministry of Energy
 - ii. Ministry of Infrastructure
 - iii. Ministry of Environment, Conservation and Parks
 - iv. Ministry of Natural Resources and Forestry
 - v. Ministry of Northern Development
 - vi. Ministry of Indigenous Affairs
 - vii. Ministry of Transportation
 - viii. Ministry of Municipal Affairs and Housing
 - ix. Ministry of Tourism, Culture and Sport
 - x. Ministry of Citizenship and Multiculturalism
 - xi. Ministry of Agriculture, Food and Rural Affairs
 - xii. Infrastructure Ontario
 - xiii. Electrical Safety Authority
 - xiv. Independent Electricity System Operator
 - i) The following federal government departments:
 - i. Environment and Climate Change Canada
 - ii. Fisheries and Oceans Canada
 - iii. Transport Canada
 - iv. Indigenous Services Canada
3. To make a copy of both the English and French versions of the Notice, the application and the evidence, and any amendments there to in a prominent place on PUC Tx and HOSSM's websites.
 4. For PUC Tx and HOSSM to file with the OEB a joint affidavit proving completion of the matters in paragraphs 1 through 3 above immediately thereafter.

5. To provide a copy of the Notice, the application and the evidence, and any amendments thereto, to anyone requesting the material.

You are further directed not to include any documents or materials when serving the Notice other than documents or materials expressly required by this letter of direction to be served.

Yours truly,

Nancy Marconi
Registrar

Encl.

c: regulatory@ssmpuc.com
Dominic Parrella, PUC Services Inc., Dominic.Parrella@ssmpuc.com
Carla Molina, Hydro One Networks Inc., regulatory@HydroOne.com
Monica Caceres, Hydro One Networks Inc., monica.caceres@HydroOne.com

The attached document is **Exhibit 2** to the Affidavit of Dominic Parrella.

Sworn remotely by Dominic Parrella of the City of Sault Ste. Marie in the Province of Ontario, before me at the City of Toronto in the Province of Ontario on February 12, 2024, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Colm Boyle

Colm Boyle

Commissioner for Taking Affidavits in the Province of Ontario

EXHIBIT 2
LETTER, APPLICATION AND EVIDENCE



February 2, 2024

EB-2023-0360 - NOTICE
PUC (Transmission) LP and Hydro One Sault Ste. Marie LP
Leave to Construct Application
New High Voltage Line and Station Facilities to be built in Sault Ste. Marie

PUC (Transmission) LP and Hydro One Sault Ste. Marie LP have filed a joint application to the Ontario Energy Board (“OEB”) for an Order or Orders granting leave to construct new 230 kilovolt transmission lines and station facilities in the city of Sault Ste. Marie.

You are receiving the attached Notice as you have been identified as either a registered property owner/encumbrancer or you are the representative of a group or agency for which PUC (Transmission) LP and Hydro One Sault Ste. Marie LP have been directed by the OEB to send this Notice. You can send the OEB a letter with your comments, which will be considered during the hearing; or you can ask the OEB for permission to be an intervenor in the hearing. If you wish to be an intervenor, the OEB must receive your request by **February 19, 2024**.

The application and evidence documents, including the Notice, can be found at the following link:

<https://puctransmissionlp.com/regulatory/>

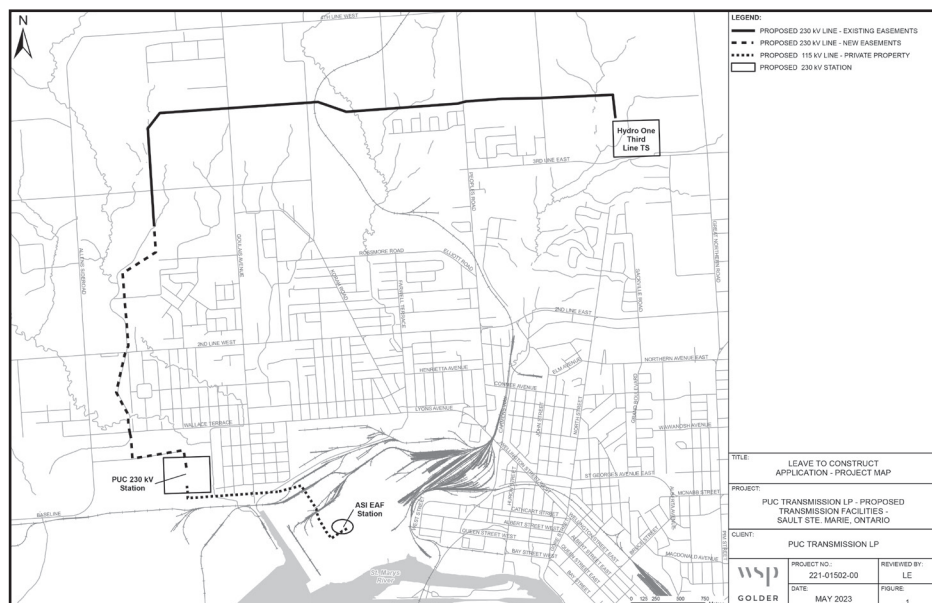
NOTICE OF A HEARING

PUC (Transmission) LP and Hydro One Sault Ste. Marie have applied for approval to build a high-voltage transmission line in Sault Ste. Marie

This application seeks:

- Permission for PUC (Transmission) LP (PUC Transmission) to construct a new 230 kilovolt transformer station in Sault Ste. Marie.
- Permission for PUC Transmission to construct 10 kilometres of 230 kilovolt transmission lines from the Third Line Transformer Station, owned by Hydro One Sault Ste. Marie (HOSSM), and ending at the proposed Tagona West Transformer Station, owned by PUC Transmission.
- Approval of the forms of agreement that PUC Transmission will offer affected landowners.
- Permission for HOSSM to construct station facilities and related work at Third Line Transformer Station.
- Approval of a new regulatory deferral account for use by HOSSM to capture costs related to station work that will facilitate the connection of a future priority transmission line in the region.
- An exemption for HOSSM from the Transmission System Code related requirement to require Algoma Steel Inc. to pay bypass compensation.

A map of the proposed route for the transmission line to be built is provided below:



The OEB hearing is not the only approval process required before a line is built.

Environmental issues, or issues related to the Crown's duty to consult Indigenous peoples, are not part of the OEB's review unless there is a direct impact on price and the reliability and quality of electricity service.

This hearing will be held under sections 74, 78, 92 and 97 of the **Ontario Energy Board Act, 1998**.

Ce document est aussi disponible en français.

YOU SHOULD KNOW

There are three types of OEB hearings: oral, electronic and written. The OEB plans to proceed with, a written hearing. If you think a different hearing type is needed, you can write to us to explain why.

During this hearing, we will hear questions and arguments from participants about this case. We will also hear questions and arguments from participants that have registered as Intervenor. After the hearing, we will decide whether to approve the application.

HAVE YOUR SAY

You have the right to information about this application and to participate in the process.

Visit www.oeb.ca/notice and use file number **EB-2023-0360** to:

- Review the application
- Apply to become an intervenor
- File a letter with your comments

IMPORTANT DATES

You must engage with the OEB on or before **February 19, 2024** to:

- Provide input on the hearing type (oral, electronic or written)
- Apply to be an intervenor

If you do not, the hearing will move forward without you, and you will not receive any further notice of the proceeding.

PRIVACY

If you write a letter of comment, your name and the content of your letter will be put on the public record and the OEB website. If you are a business or if you apply to become an intervenor, all the information you file will be on the OEB website.

LEARN MORE

Ontario Energy Board

☎/TTY: 1 877-632-2727

🕒 Monday - Friday: 8:30 AM - 5:00 PM

🌐 oeb.ca/notice

PUC Transmission LP

☎: 705 759-6522

🕒 Monday - Friday: 9:00 AM - 4:30 PM

🌐 ssmpuc.com

Hydro One Sault Ste. Marie

☎: 416 345-4479

🕒 Monday - Friday: 9:00 AM - 4:30 PM

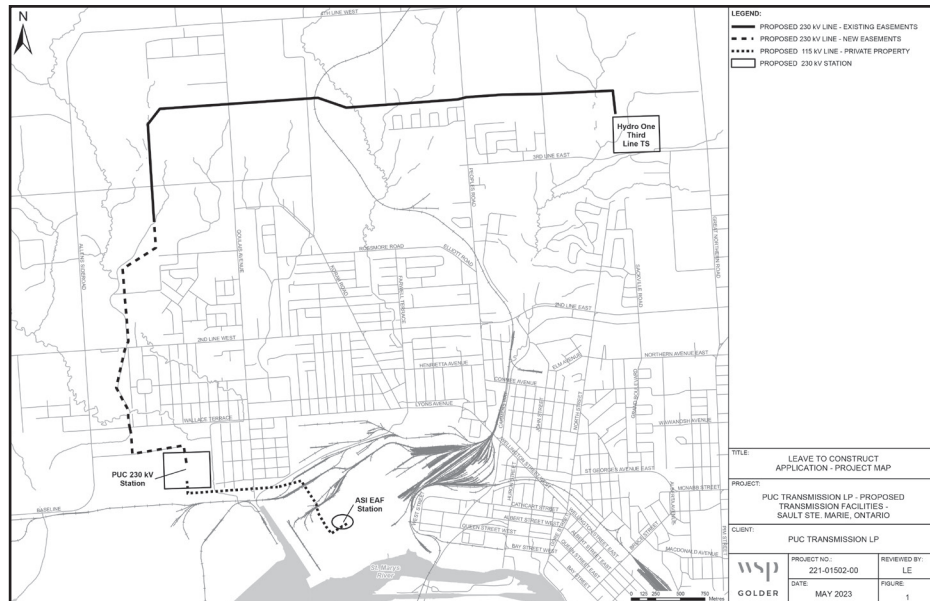
🌐 hydroone.com/hydro-one-sault-ste-marie

PUC (Transmission) LP et Hydro One Sault Ste. Marie ont demandé l'autorisation de construire une ligne de transport à haute tension à Sault Ste. Marie.

La requête vise à accomplir ce qui suit.

- Permettre à PUC (Transmission) LP (PUC Transmission) de construire un nouveau poste de transformation de 230 kilovolts à Sault Ste. Marie.
- Permettre à PUC Transmission de construire 10 kilomètres de lignes de transport de 230 kilovolts à partir du poste de transformation Third Line, appartenant à Hydro One Sault Ste. Marie (HOSSM), jusqu'au poste de transformation Tagona West proposée, qui appartient à PUC Transmission.
- Approuver les formes d'ententes que proposera PUC Transmission aux propriétaires fonciers touchés.
- Autoriser HOSSM à construire des installations du poste et à effectuer des travaux connexes au poste de transformation Third Line.
- Approuver un nouveau compte de report réglementaire à utiliser par HOSSM pour enregistrer les coûts liés aux travaux de construction du poste qui faciliteront le branchement d'une future ligne de transport prioritaire dans la région.
- Exempter HOSSM de l'exigence liée au code du réseau de transport afin d'obliger Algoma Steel Inc. à payer une indemnité pour le contournement.

Un plan du tracé proposé pour la ligne de transport à construire est fourni ci-dessous.



En plus de l'audience de la CEO, d'autres processus sont requis avant de pouvoir construire une ligne.

Cette audience sera tenue en vertu des articles 74, 78, 92 et 97 de la **Loi de 1998 sur la Commission de l'énergie de l'Ontario**.

This document is also available in English.

Les questions environnementales ou les questions liées à l'obligation de la Couronne de consulter les peuples autochtones ne font pas partie de l'examen de la CEO, à moins qu'elles n'aient une incidence directe sur le prix et sur la fiabilité et la qualité du service d'électricité.

À SAVOIR

Il existe trois types d'audiences à la Commission de l'énergie de l'Ontario (CEO) : les audiences orales, les audiences électroniques et les audiences écrites. La CEO a l'intention de procéder à une audience écrite. Si vous estimez qu'avoir recours à un autre type d'audience serait préférable, vous pouvez écrire à la CEO pour lui présenter vos arguments.

Au cours de cette audience, nous entendrons les questions et les arguments des participants sur cette affaire. Nous entendrons également les questions et arguments des participants inscrits en tant qu'intervenants. Après l'audience, nous déciderons d'approuver ou non cette requête.

DONNEZ VOTRE AVIS

Vous avez le droit d'être informés au sujet de cette requête et de participer au processus. Visitez le site www.oeb.ca/fr/participez et utilisez le numéro de dossier **EB-2023-0360** pour :

- examiner la requête;
- présenter une demande pour devenir un intervenant;
- envoyer une lettre comportant vos commentaires.

DATES IMPORTANTES

Vous devez communiquer avec la CEO au plus tard le **19 février 2024** pour :

- fournir des renseignements sur le type d'audience (orale, électronique ou écrite);
- présenter une demande en vue de devenir un intervenant.

À défaut de cela, l'audience se déroulera sans vous et vous ne recevrez plus d'avis dans le cadre de la présente procédure.

PROTECTION DES RENSEIGNEMENTS PERSONNELS

Si vous écrivez une lettre de commentaires, votre nom et le contenu de cette lettre seront ajoutés au dossier public et au site Web de la CEO. Si vous êtes une entreprise ou si vous demandez à devenir un intervenant, tous les renseignements que vous déposez seront disponibles sur le site Web de la CEO.

EN SAVOIR PLUS

Commission de l'énergie de l'Ontario

☎ /ATS: 1 877-632-2727

🕒 Du lundi au vendredi, de 8 h 30 à 17 h

🌐 oeb.ca/fr/participez

PUC Transmission LP

☎ 705-759-6522

🕒 Du lundi au vendredi, de 9 h à 16 h 30

🌐 ssmpuc.com

Hydro One Sault Ste. Marie

☎ 705-254-7444

🕒 Du lundi au vendredi, de 9 h à 16 h 30

🌐 hydroone.com/hydro-one-sault-ste-marie

EXHIBIT B: THE APPLICATION

ADMINISTRATIVE MATTERS

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*;

And in the matter of an Application by PUC (Transmission) LP pursuant to s. 92 of the *Act* for an Order or Orders granting leave to construct new transmission line and station facilities in the city of Sault Ste. Marie.

And in the matter of an Application by PUC (Transmission) LP pursuant to s. 97 of the *Act* for an Order granting approval of the forms of the agreement offered or to be offered to affected landowners.

And in the matter of an Application by Hydro One Sault Ste. Marie LP pursuant to s. 92 of the *Act* for an Order or Orders granting leave to construct station facilities and related work at Third Line TS.

And in the matter of an Application by Hydro One Sault Ste. Marie LP pursuant to s. 78 of the *Act* to create a new regulatory deferral account to capture certain costs related to station work.

And in the matter of an Application by Hydro One Sault Ste. Marie LP pursuant to s. 74 of the *Act* for an exemption from Section 11.2.1 of the Transmission System Code from the requirement for Algoma Steel Inc. to pay bypass compensation to Hydro One Sault Ste. Marie LP.

1. This is a joint application (the “**Application**”) prepared by PUC (Transmission) LP (“**PUC Transmission**”) and Hydro One Sault Ste. Marie LP (“**HOSSM**”). For ease of reference, the

primary Applicant is PUC Transmission with its head office in the city of Sault Ste. Marie. The secondary Applicant is HOSSM.

2. The evidence of PUC Transmission in support of its application has been prepared in accordance with Chapter 4 of the *Filing Requirements for Transmission and Distribution Applications* issued March 16, 2023 (“**Filing Requirements**”) and is set out in Exhibits A, B, C-1 to C-3, D, E, F, G. The evidence of HOSSM in support of its application has been prepared in accordance with Chapter 4 of the Filing Requirements and is set out in Exhibit C-4.

Requested Relief

3. PUC Transmission hereby applies to the Ontario Energy Board (the “**Board**” or “**OEB**”) pursuant to s. 92 of the *Ontario Energy Board Act, 1998* (the “**Act**”) for an Order, or Orders, granting leave to construct the “**Project**” consisting of:

- a. approximately 10 km of new 230 kV transmission lines that will cross the northerly and westerly areas of the city of Sault Ste. Marie, starting at the Third Line Transformer Station (“**Third Line TS**”), which is owned and operated by HOSSM, and ending at a new 230 kV transformer station to be constructed at the easterly limit of Yates Avenue in Sault Ste. Marie (the “**230 kV Line**”); and
- b. a new 230 kV transformer station, that will step-down voltage from 230 kV to 115 kV, to be constructed, owned, and operated by PUC Transmission, and located at the easterly end of Yates Avenue within the boundaries of the city of Sault Ste. Marie (the “**Tagona West TS**”).

4. PUC Transmission is also applying to the OEB pursuant to s. 97 of the Act for approval of the forms of the agreement offered, or to be offered, to affected landowners in **Exhibit E**.

5. The Project requires certain modifications at the Third Line TS that will be designed, constructed, owned, and operated by HOSSM and which are necessary to enable the interconnection of the Project to the Third Line TS (the “**HOSSM Station Project**”). HOSSM has prepared and submitted evidence in this Application describing the HOSSM Station Project in **Exhibit C, Tab 4, Schedule 1** (the “**HOSSM Evidence**”). The remainder of the Application is evidence prepared and submitted by PUC Transmission (the “**PUC Transmission Evidence**”).

6. HOSSM is applying to the OEB pursuant to s. 92 of the Act for an Order, or Orders, granting leave to construct the HOSSM Station Project. HOSSM is also seeking:

- a. approval of a new Regulatory Deferral Account under s. 78 of the Act to capture costs related to station work scope that will facilitate the connection of a new priority transmission line in the region in the near future; and
- b. approval, pursuant to s. 74 of the Act, for an exemption from the Transmission System Code (“TSC”) from the requirement to require Algoma Steel to pay bypass compensation to HOSSM under Section 11.2.1 of the TSC in respect of 30 MW of its load that will be served by HOSSM on an interim basis for 3 years with the ultimate intention that the 30 MW of load will be served by PUC Transmission once its facilities come into service.

7. Because of the strong factual nexus between the Project and HOSSM Station Project, PUC Transmission and HOSSM have filed their respective requests for relief as a joint application.

Background

8. PUC Transmission is a newly formed Ontario limited partnership. PUC Transmission carries on the business of owning and operating transmission facilities within Ontario. PUC (Transmission) GP Inc. (“**PUC Transmission GP**”) is the general partner of PUC Transmission. PUC Distribution Inc. (“**PUC Distribution**”), PUC (Transmission) LP Inc., and PUC (Transmission) GP are wholly owned by PUC Inc. PUC Inc. and PUC Services Inc. are wholly owned by The Corporation of the City of Sault Ste. Marie.

9. On October 21, 2021 the Ontario Energy Board issued its Decision and Order (EB-2021-0088) approving PUC Transmission’s application for an electricity transmission licence, which “shall be issued and take effect on the date which it files a description of its approved transmission facilities to be included in schedule 1 of the licence with the OEB.” For further details on PUC Transmission’s corporate structure please refer to the transmission licence application in the referenced proceeding.

10. PUC Distribution owns the assets that are used to distribute electricity to residences and businesses within the boundaries of the city of Sault Ste. Marie as well as parts of Prince Township, Dennis Township, and the Rankin Reserve. It also owns 115 kV transmission assets,

- 1 which are managed, operated, and maintained by PUC Services Inc. All the assets of PUC
2 Distribution are managed, operated, and maintained by PUC Services Inc.
- 3
- 4 11. In addition to the Project and HOSSM Station Project, approximately 2 kilometers of a new
5 double-circuit 115 kV transmission line (the “**115 kV Line**”) will be constructed in conjunction
6 with the Project, starting at the Tagona West TS and ending at the Algoma Steel Inc. (“**Algoma**
7 **Steel**”) electric arc furnace 115 kV transformer station located on Algoma Steel’s property (the
8 “**EAF Station**”). The 115 kV Line will be designed and constructed by others, and fully paid for,
9 owned, and operated by Algoma Steel. Therefore, the 115 kV Line falls under the exemption
10 for leave to construct under sections 6.2(1)(e) and 6.2(1)(e.1) of O. Reg 161/99. The 115 kV
11 Line is not part of this application, but is identified herein for information and completeness, as
12 it was included in the Environmental Assessment.
- 13
- 14 12. The Project and HOSSM Station Project are required to provide adequate transmission supply
15 capacity and improve system reliability to accommodate new loads in the city of Sault Ste. Marie
16 and the surrounding area, including the new load from the construction of two electric arc
17 (“**EAF**”) furnaces by Algoma Steel, located in Sault Ste. Marie. Algoma Steel provided a letter of
18 support for the Project (see **Exhibit B, Tab 3, Schedule 1, Attachment 2**). Accordingly, the
19 Project and HOSSM Station Project are categorized as non-discretionary development projects
20 pursuant to section 4.3.2.4 of the OEB’s Chapter 4 Filing Requirements for Electricity
21 Transmission Applications (see **Exhibit B, Tab 4, Schedule 1**).
- 22
- 23 13. The Project will also support PUC Distribution’s infrastructure renewal, connect new
24 generators, and supply additional load customers that are currently being planned for the area.
25 The need also relates to an increase in local industrial load, which requires more transmission
26 capacity than is available on the existing transmission system within Sault Ste. Marie. In
27 particular, the Project would permit an industrial load to operate independently of the natural
28 gas generation servicing that load and enable access to a more reliable supply for operational
29 stability and efficiency as more energy becomes available through the Project and HOSSM
30 Station Project in conjunction with future regional transmission projects.
- 31
- 32 14. In the longer term, further increases in local industrial load are anticipated and will require
33 substantial additional capacity. The Project and HOSSM Station Project will address the large
34 load growth proposed in the Sault Ste. Marie area through these industrial expansion projects

and the required future PUC Distribution infrastructure renewal.

15. An overview map of the Project is included at **Exhibit B, Tab 2, Schedule 1, Attachment 1**. A schematic single line diagram of the Project can be found at **Exhibit C, Tab 2, Schedule 1, Attachment 2**. The proposed in-service date for the Project is end of Q2 2027, assuming a construction start date in Q4 2024. Recognizing the importance of enhancing our electricity transmission infrastructure, a focused effort is imperative to ensure a reliable and robust power supply that meets the current and future needs of the local area. The essential nature of this Project is accentuated by the extended lead times associated with procuring vital equipment, construction challenges through the Northern Ontario winter weather, and access to skilled trades which may impede the timely completion of the Project. PUC Transmission will do what is practically within its power to advance the in-service date for its work. However, the new network facilities are also dependent upon the completion of the HOSSM work at Third Line TS, which is currently forecasted by HOSSM to go into service mid-2027. PUC Transmission understands that HOSSM has undertaken a similar commitment with regards to the Third Line TS work. On this basis, PUC Transmission and HOSSM are collectively looking for opportunities to advance their respective work programs in an effort to better meet Algoma Steel's needs. A project schedule is provided at **Exhibit B, Tab 11, Schedule 1**.

Additional Considerations

16. On February 2, 2023, OEB Staff confirmed PUC Transmission's view that both the 230 kV Line and the Tagona West TS are part of the provincial network pool consistent with the following requirements:
- a. the "Renewed Regional Planning Framework for Electricity Distributors: Performance-Based Approach" ("RRFE") report, released on October 18, 2012, which states that "all 115/230 kV auto-transformers and the associated switchgear should consistently be defined as network assets";¹
 - b. section 3.0.14 (b)(ii) of the TSC defines a network station as including any station with "an autotransformer that steps down voltage from a higher transmission level to a lower transmission level"; and
 - c. section 3.0.14(a)(i) of the TSC defines a network facility as any line that forms part of

¹ Report of the Board - Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach, issued October 18, 2012, page 45.

the path between two network stations.

PUC Transmission will be installing two 230/115 kV autotransformers at the Tagona West TS in this initial construction phase. Consequently, the Tagona West TS is a network station within the meaning of section 3.0.14(b)(ii) of the TSC and the RRFE. Given that both the Third Line TS and the Tagona West TS are network stations, the 230 kV Line is a network facility within the meaning of section 3.0.14(a)(i) of the TSC.

17. Pursuant to the OEB Bulletin regarding the *Allocation of Network Upgrade Costs related to Customer Connections to the Transmission System* issued on September 29, 2022 (the “**Bulletin**”) certain components of the Project form all or part of the minimum connection requirements for Algoma. The Bulletin was not intended to redefine an entire facility from a network to connection asset, instead it was meant to identify only some of the assets in a network facility that perform a connection function. PUC Transmission has identified the components of the Project that form the minimum connection requirements in **Table 3** located at **Exhibit B, Tab 6, Schedule 1**, (the “**Minimum Connection Facilities**”) in accordance with the examples noted on page 3 of the Bulletin. The Minimum Connection Facilities include automatic interrupting devices at the connection interface with Algoma and a substantial reactive power compensating device on the 230 kV bus, as prescribed by the IESO System Impact Assessment (“**SIA**”) findings, all of which protect other customers on the IESO-controlled grid from being negatively impacted by Algoma Steel’s connection.

18. PUC Transmission conducted a discounted cash flow calculation for the Minimum Connection Facilities as set out in Appendix 5 of the TSC as the basis for an economic evaluation. As further described below, PUC Transmission assessed Algoma Steel’s risk classification in accordance with Appendix 4 of the TSC as “medium-high risk”, which stipulates an economic evaluation period of 10 years (see **Exhibit B, Tab 9, Schedule 1**).

19. The Project will utilize a combination of municipal rights-of-way, existing powerline rights-of-way, and additional easements to be acquired upon the Board granting leave to construct. The existing powerline rights-of-way are currently unoccupied. Temporary land rights to facilitate construction or to provide staging areas are not required since all the work will fall within the existing and new rights-of-way. The agreements for new land rights, along with details on the nature of existing land rights, can be found in **Exhibit E**.

20. The IESO has completed its SIA dated September 28, 2023. The SIA concludes that the Project is expected to have no material adverse impact on the reliability of the integrated power system, provided that all requirements in the SIA report are implemented. Also, the IESO issued a *Notification of Conditional Approval for Connection* in conjunction with the final report. A copy of the final SIA report is provided at **Exhibit F, Tab 1, Schedule 1, Attachment 1**. A copy of and the Notification of Conditional Approval is provided at **Exhibit F, Tab 1, Schedule 1, Attachment 2**. The IESO has also identified that an addendum to the final report is in the process of being drafted at this time and is expected to be issued the second week of February 2024. The addendum relates primarily to identifying the requirements for the reactive power compensation device that forms part of the Minimum Connection Facilities, and is not material to the balance of the SIA. PUC Transmission will file a copy of the addendum when it is issued.
21. Hydro One Networks Inc. ("**HONI**" or "**Hydro One**") has completed a Customer Impact Assessment ("**CIA**") ID# 2023-16, dated November 3, 2023. The results confirm that there will be no material adverse impacts on area customers as a result of the Project and HOSSM Station Project, provided the requirements identified in the IESO's SIA report are implemented. A copy of the CIA report is provided as **Exhibit G, Tab 1, Schedule 1, Attachment 1**.
22. The total capital cost of the Project to be constructed by PUC Transmission under this application is approximately \$188.87 million. The details pertaining to these costs are provided at **Exhibit B, Tab 6, Schedule 1, Table 1**. The total capital cost of the HOSSM Station Project, to facilitate the connection of the Project, is approximately \$43.11 million. The details pertaining to these costs are provided at **Exhibit C, Tab 4, Schedule 1**. The overall cost of the Project and HOSSM Station Project included in this application is approximately \$231.98 million, as summarized in **Table 2 at Exhibit B, Tab 6, Schedule 1**.
23. Based on the OEB approved 2024 preliminary Uniform Transmission Rate for the network pool, combined project economics for both the Project and HOSSM Station Project, as filed in **Exhibit B, Tab 9, Schedule 1**, will result in a negligible impact of approximately 0.04% average increase in the network pool rate over 25 years. This rate impact will not result in any material change to the average residential consumer's electricity bill.
24. Given the information provided herein, the Applicants submit that the Project and HOSSM Station Project are in the public interest. The Project and HOSSM Station Project meet the needs

of the transmission system, provides increased transmission capacity to meet the increased load within Sault Ste. Marie, and improves quality of service and reliability in the area with minimal impact on provincial transmission rates.

25. The Applicants request that a decision on this Application be provided by no later than August 5, 2024,² and in any event as soon as practical, to ensure the Project and HOSSM Station Project can be completed by the target in-service date, in order to meet Algoma Steel's new EAF load requirements in time for their operational needs.

26. PUC Transmission consents to this proceeding be disposed of without a hearing pursuant to section 21(4) of the Act. As documented in the CIA report, Section 7.0 Conclusions and Recommendations (see **Exhibit G, Tab 1, Schedule 1, Attachment 1**), there are no adverse impacts to transmission customers as a result of the Project and HOSSM Station Project. Furthermore, the SIA report, at page 5 under Notification of Conditional Approval (see **Exhibit F, Tab 1, Schedule 1, Attachment 1**) confirms the Project and HOSSM Station Project will have no material adverse impact on the reliability of the integrated power system. This conclusion is confirmed in the Notice of Conditional Approval issued by the IESO that is included at **Exhibit F, Tab 1, Schedule 1, Attachment 2**. Finally, while PUC Transmission will need to obtain land rights to construct the Project, with letters of support from PUC Distribution and the Sault Ste. Marie Regional Conservation Authority ("**SSMRCA**") for this Application (see **Exhibit E, Tab 2, Schedule 1, Attachments 2 and 3**) in conjunction with the letter of support from Algoma Steel noted above (see **Exhibit B, Tab 3, Schedule 1, Attachment 2**), commitments are in place that address the land rights requirements for 90% of the overall length of the 230 kV Line route. In addition, as noted in **Exhibit E**, two property owners representing three parcels along the line route and the owner of one of the two parcels required for the new Tagona West TS have accepted conditional purchase offers at this time. Accordingly, the Project and HOSSM Station Project will not adversely affect customers in any material way. However, if the OEB believes a hearing is necessary, PUC Transmission requests a written hearing for this proceeding.

27. PUC Transmission requests that a copy of all documents filed with the Board be served on the primary applicant, PUC Transmission, and its counsel and the secondary applicant, HOSSM, and its counsel, as follows:

² This is 210 days after the first day after the end of the holiday time out (i.e. January 8, 2024).

1
2 a. Primary Applicant's contact: Dominic Parrella, Executive Lead, Special Projects
3 PUC Services Inc.
4 500 Second Line East
5 Sault Ste. Marie, Ontario, P6A 6P2
6 Email: dominic.parrella@ssmpuc.com
7

8 b. Primary Applicant's counsel: John Vellone, Partner
9 Borden Ladner Gervais LLP
10 Bay Adelaide Centre, East Tower
11 22 Adelaide Street West
12 Toronto, Ontario,
13 M5H 4E3
14

15 c. Secondary Applicant's contact: Carla Molina, Sr. Regulatory Coordinator
16 Hydro One Networks Inc.
17 7th Floor, South Tower
18 483 Bay Street
19 Toronto, Ontario M5G 2P5
20 Telephone: (416) 345-5317
21 Fax: (416) 345-5866
22 Electronic access: regulatory@HydroOne.com
23

24 d. Secondary Applicant's counsel: Monica Caceres, Assistant General Counsel
25 Hydro One Networks Inc.
26 8th Floor, South Tower,
27 483 Bay Street
28 Toronto, Ontario M5G 2P5
29 Telephone: (647) 505-3341
30 Fax: (416) 345-6972
31 Electronic access: monica.caceres@hydroone.com
32

The attached document is **Exhibit 3** to the Affidavit of Dominic Parrella.

Sworn remotely by Dominic Parrella of the City of Sault Ste. Marie in the Province of Ontario, before me at the City of Toronto in the Province of Ontario on February 12, 2024, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Colm Boyle

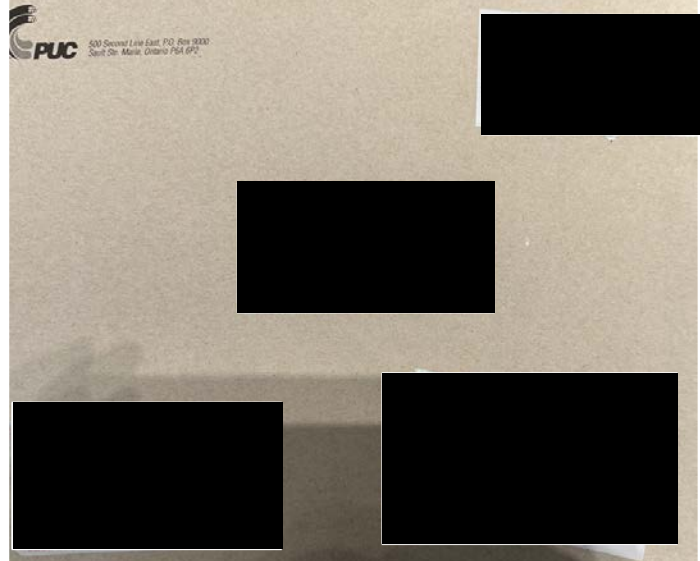
Colm Boyle

Commissioner for Taking Affidavits in the Province of Ontario

EXHIBIT 3

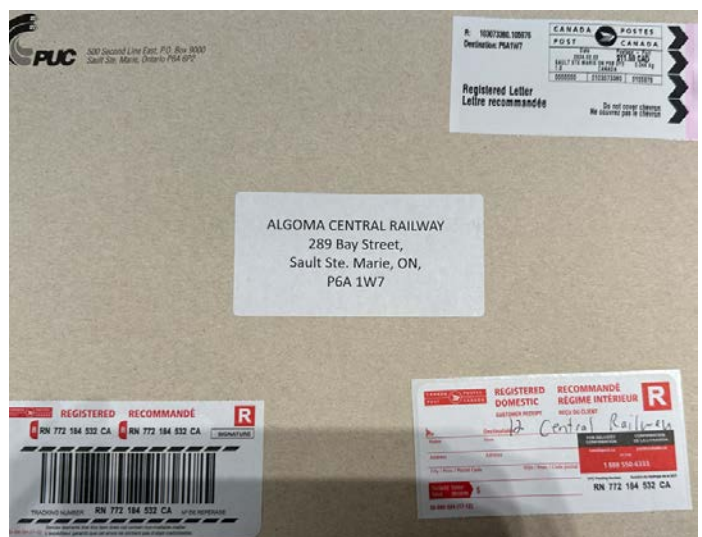
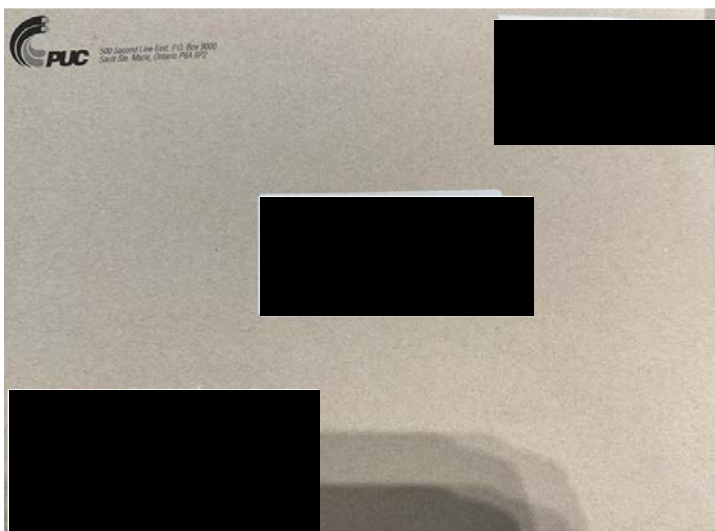
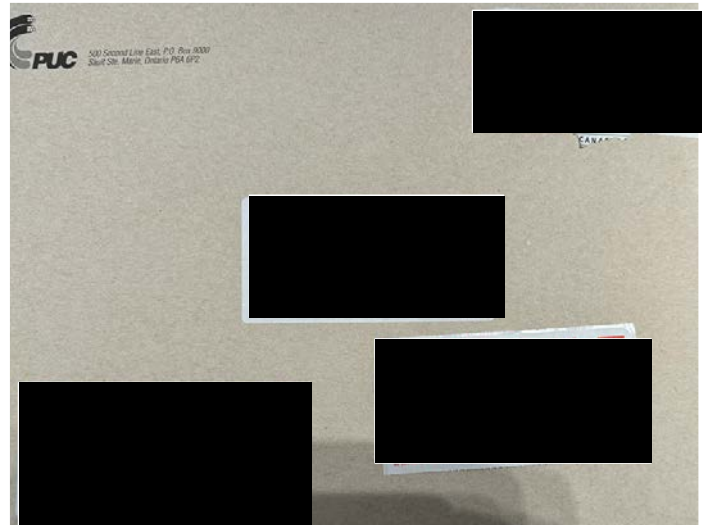
POST OFFICE REGISTERED MAIL AND COURIER SERVICE

EB-2023-0360 – PUC (Transmission) LP and Hydro One Sault Ste. Marie LP Leave to Construct Application
Re: Direction 2 (a) – photo images of registered mail and courier service



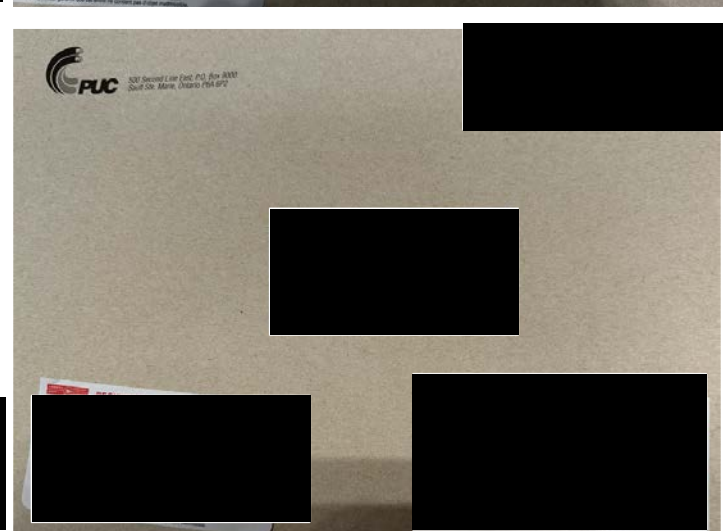
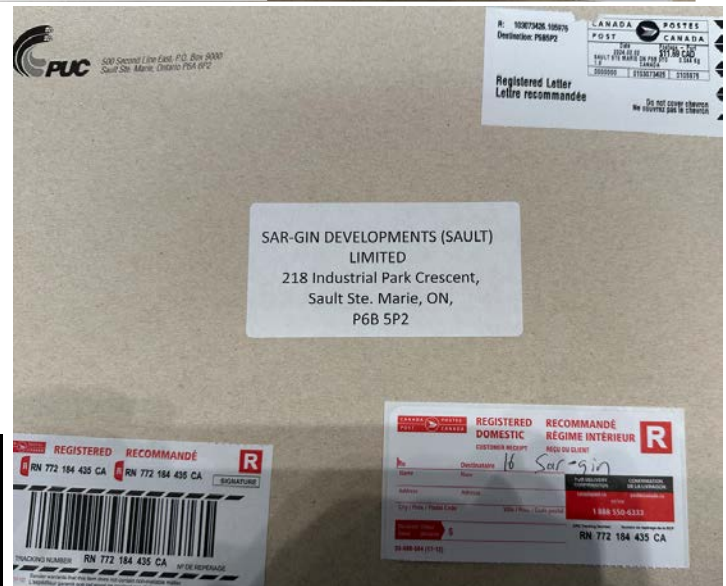
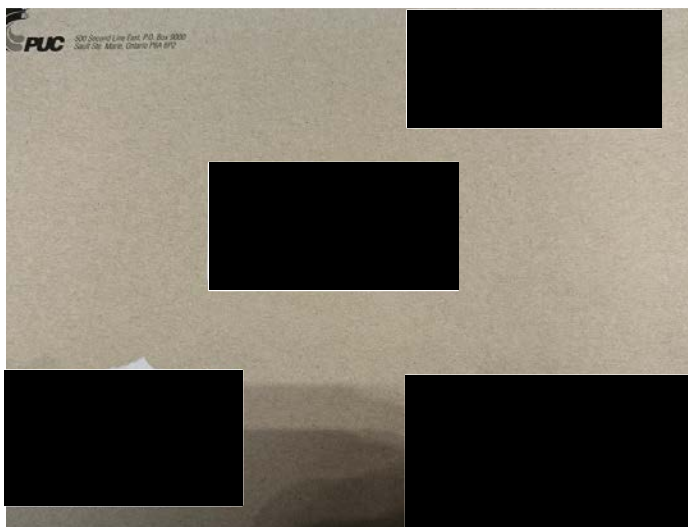
OEB Letter of Direction issued January 31, 2024

EB-2023-0360 – PUC (Transmission) LP and Hydro One Sault Ste. Marie LP Leave to Construct Application
Re: Direction 2 (a) – photo images of registered mail and courier service



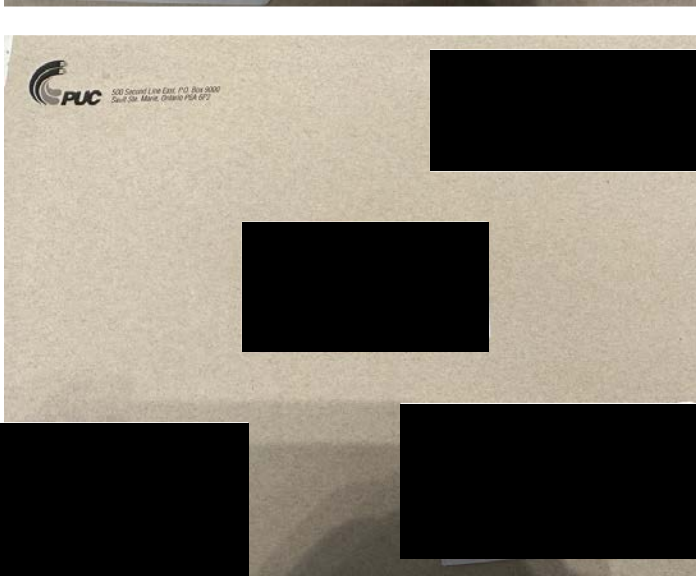
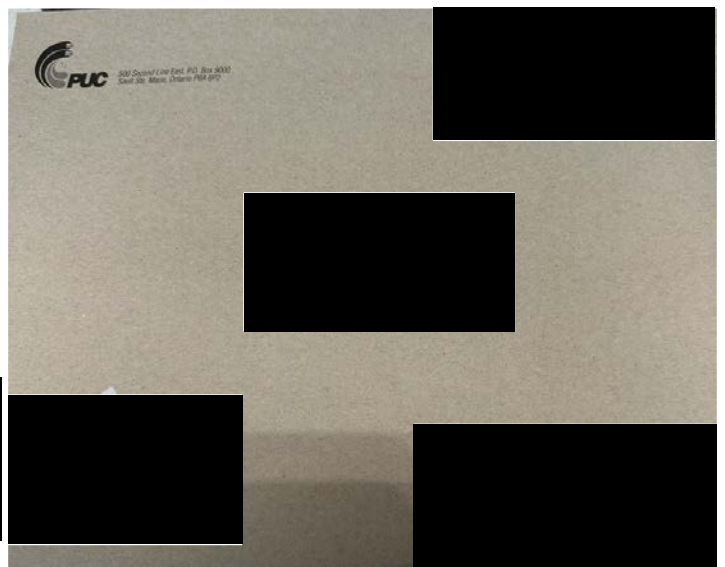
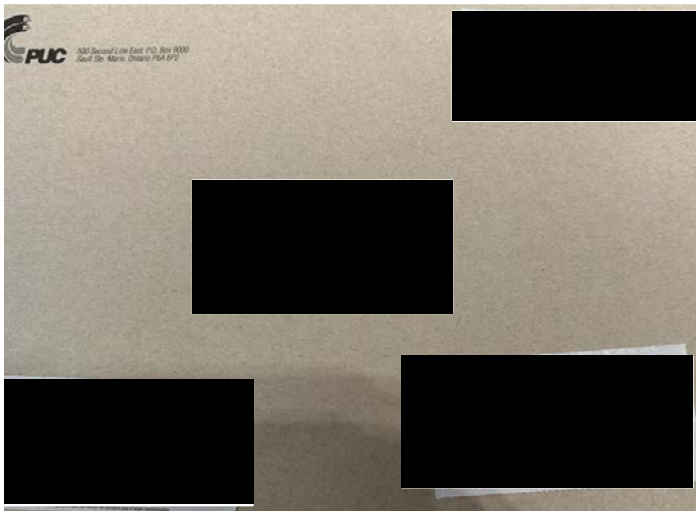
OEB Letter of Direction issued January 31, 2024

EB-2023-0360 – PUC (Transmission) LP and Hydro One Sault Ste. Marie LP Leave to Construct Application
Re: Direction 2 (a) – photo images of registered mail and courier service



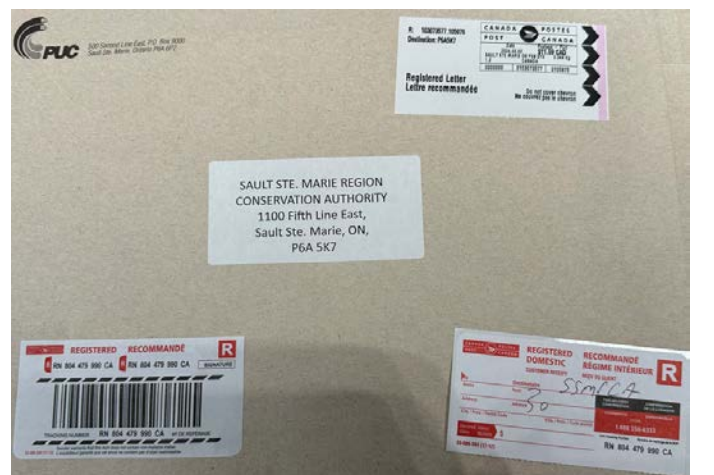
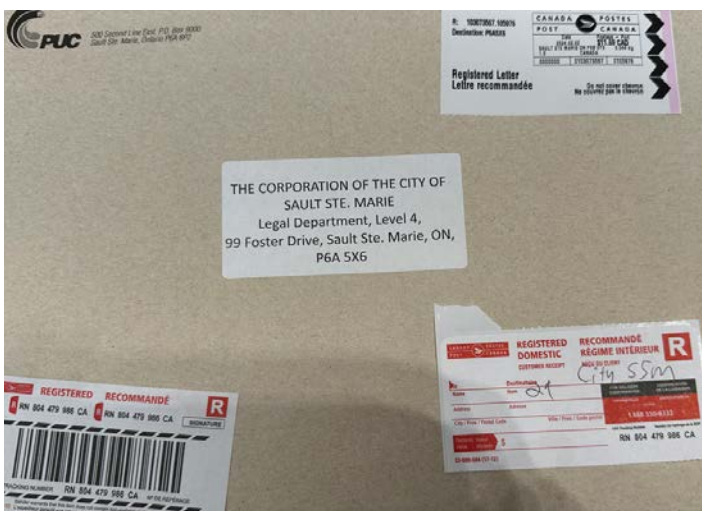
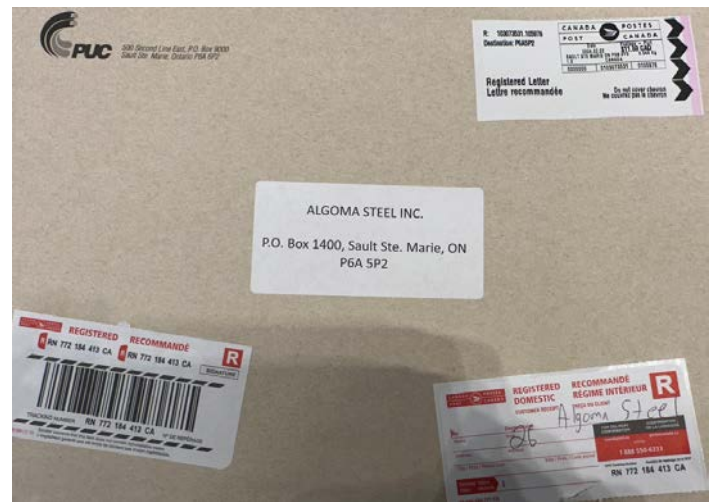
OEB Letter of Direction issued January 31, 2024

EB-2023-0360 – PUC (Transmission) LP and Hydro One Sault Ste. Marie LP Leave to Construct Application
Re: Direction 2 (a) – photo images of registered mail and courier service



OEB Letter of Direction issued January 31, 2024

EB-2023-0360 – PUC (Transmission) LP and Hydro One Sault Ste. Marie LP Leave to Construct Application Re: Direction 2 (a) – photo images of registered mail and courier service



OEB Letter of Direction issued January 31, 2024

EB-2023-0360 – PUC (Transmission) LP and Hydro One Sault Ste. Marie LP Leave to Construct Application

Re: Direction 2 (a) – photo images of registered mail and courier service



Page 1 of 1

Receipt - CUSTOMER COPY

Date: 2/2/2024
Customer: PUC
Service: FedEx International Ground®
Ship date: Friday, February 2, 2024
Delivery: Thursday, February 8, 2024 by end of day

000000003385

QTY	WEIGHT	Manual Entry	PACKAGING TYPE	DIMENSIONS/PACKAGING	Manual Entry	DECLARED VAL.
1	0.1 lb.	No	Customer	8.5x11.0x1.0 in	Yes	\$100

TRACKING #: 270542027443

To/Recipient
AGAWA CANYON RAILROAD ULC
CO WATCO COMPANIES LLC
315 W 3rd St
PITTSBURG, KS, 667624706
US

Charges/additional services

Base shipment	\$25.24
Declared value (100)	\$0.00
Residential Surcharges	\$4.50
Fuel Surcharge	\$4.11
No Signature Required	\$0.00

Total charges \$33.85
Payment Pay at register

The attached document is **Exhibit 4** to the Affidavit of Dominic Parrella.

Sworn remotely by Dominic Parrella of the City of Sault Ste. Marie in the Province of Ontario, before me at the City of Toronto in the Province of Ontario on February 12, 2024, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Colm Boyle

Colm Boyle

Commissioner for Taking Affidavits in the Province of Ontario

EXHIBIT 4

FORM OF NOTICE – EMAIL CORRESPONDENCE

Dominic Parrella

From: Dominic Parrella
Sent: Monday, February 5, 2024 10:23 PM
To: Dominic Parrella
Cc: Dominic Parrella
Subject: EB-2023-0360 PUC - (Transmission) LP and Hydro One Sault Ste. Marie LP Leave to Construct Application - PUC Tx Project and HOSSM Station Project – Notice of Hearing
Attachments: Notice_PUC Tx_HOSSM LTC_20240131.pdf; Notice_FR_PUC Tx_HOSSM LTC_20240131.pdf

Tracking:

Recipient

Dominic Parrella
Dominic Parrella
'alain.morin@bell.ca'
'bell.regulatory@bell.ca'
'Regulatory.Finance@sjrb.ca'
'regulatory@rci.rogers.com'
'Richard.Wathy@enbridge.com'
'EGIRegulatoryproceedings@enbridge.com'
'cityclerk@cityssm.on.ca'
'MarkMcCoy@batchewana.ca'
'dansayers@batchewana.ca'
'arickard@gardenriver.org'
'cnolan@gardenriver.org'
'ptangie@michipicoten.com'
'Gillian.Brown2@ontario.ca'
'sana.nisar@ontario.ca'
'Stephen.Deneault@ontario.ca'
'alex.hyatt@ontario.ca'
'john.hall@ontario.ca'
'jessica.hill2@ontario.ca'
'shawn.nickerson@ontario.ca'
'victoria.kosny@ontario.ca'
'james.antler@ontario.ca'
'karla.barboza@ontario.ca'
'michele.doncaster@ontario.ca'
'ainsley.davidson@infrastructureontario.ca'
'david.rinaldo@electricalsafety.on.ca'
'regulatoryaffairs@ieso.ca'
'robert.clavering@ec.gc.ca'
'FisheriesProtection@dfo-mpo.gc.ca'
'David.Zeit@tc.gc.ca'
'cynthia.brown@sac-isc.gc.ca'

Delivery

Delivered: 2/5/2024 10:20 PM

The attached document is **Exhibit 5** to the Affidavit of Dominic Parrella.

Sworn remotely by Dominic Parrella of the City of Sault Ste. Marie in the Province of Ontario, before me at the City of Toronto in the Province of Ontario on February 12, 2024, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Colm Boyle

Colm Boyle

Commissioner for Taking Affidavits in the Province of Ontario

EXHIBIT 5
FORM OF NOTICE – WEBSITE

Notice of Hearing

PUC (Transmission) LP (“**PUC Transmission**”) and Hydro One Sault Ste. Marie LP (“**HOSSM**”) have filed a joint application to the Ontario Energy Board (“**OEB**”) for an Order or Orders granting leave to construct new 230 kilovolt transmission lines and station facilities in the city of Sault Ste. Marie. PUC Transmission is seeking approval to construct 10 kilometres of 230 kilovolt transmission lines from the Third Line Transformer Station, owned by HOSSM, and ending at the proposed Tagona West Transformer Station, owned by PUC Transmission, to be built at the east limit of Yates Avenue, in Sault Ste. Marie.

You are receiving the attached Notice as you have been identified as either a registered property owner/encumbrancer or you are the representative of a group or agency for which PUC Transmission has been directed by the OEB to send this Notice. You can send the OEB a letter with your comments, which will be considered during the hearing; or you can ask the OEB for permission to be an intervenor in the hearing. If you wish to be an intervenor, the OEB must receive your request by **February 19, 2024**.

PUC Transmission and HOSSM Leave to Construct Application – Application and Evidence documents, including the Notice, can be found at the following link: <https://puctransmissionlp.com/regulatory/>

Use the links below to view and/or download files:

- [Application and Evidence](#) filed with the OEB December 22, 2023
- [Notice of Hearing](#) issued by the OEB January 31, 2024 (aussi disponible [en français](#))

All documents of record for this proceeding are available on the Ontario Energy Board’s [Advanced Regulatory Document Search \(RDS\)](#)



Dominic Parrella, P.Eng.

Executive Lead, Special Projects

PUC Services Inc. 500 Second Line E, Sault Ste Marie, ON, Canada

M: 705-941-8386 E: dominic.parrella@ssmpuc.com





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Text Size: [A-](#) [A](#) [A+](#)

REGULATORY

We research, prepare, and submit applications to the Ontario Energy Board (OEB) related to rates, projects, acquisitions and operations. The OEB in turn reviews and questions the applications on behalf of the public interest.

COPIES OF ALL APPLICATIONS BELOW CAN BE VIEWED BY APPOINTMENT AT:

PUC Services Inc. | 500 Second Line East | Sault Ste. Marie, ON

Contact: Pina Pacione | 705-759-6583

pina.pacione@ssmpuc.com

**EB-2023-0360 - PUC (Transmission) LP and Hydro One Sault Ste. Marie LP Leave to Construct Application
New High Voltage Line and Station Facilities to be built in Sault Ste. Marie**

- [Application and Evidence](#) filed with the OEB December 22, 20223
- [Notice of Hearing](#) issued by the OEB February 9, 2024. *Aussi disponible en français*

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