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BY EMAIL

February 22, 2024

Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Dear Ms. Marconi:

**Re: Hydro One Networks Inc. (Hydro One)
Leave to Construct Application – K4 Reconductoring Project
OEB File Number: EB-2023-0197**

In accordance with Procedural Order No. 1, please find attached the OEB staff interrogatories for the above proceeding. This document has been sent to Hydro One and to all other registered parties to this proceeding.

Hydro One is reminded that its responses to interrogatories are due by March 7, 2024. Responses to interrogatories, including supporting documentation, must not include personal information unless filed in accordance with rule 9A of the OEB's Rules of Practice and Procedure.

Yours truly,

Abla Nur
Case Manager

Encl.

**OEB Staff Interrogatories
Hydro One Networks Inc.
EB-2023-0197**

Staff-1

Ref: (1) Exhibit C, Tab 1, Schedule 1, p. 2.

Preamble:

Reference 1 describes the physical design for the proposed K4 circuit refurbishment. Hydro One divides the project into two main parts: Section 1 involves sustaining existing transmission facilities by replacing end-of-life assets, while Section 2 entails constructing new facilities parallel to the existing end-of-life assets. Hydro One has proposed this construction methodology in lieu of the option of refurbishing in-situ due to limited outage windows in the second section of the line.

Questions:

- a) Please provide more details regarding the limited outage windows on the second section of the line.
- b) Please describe any alternative construction methods or strategies evaluated to address the limited outage windows on the second section of the line.
- c) Please provide more details to support the necessity of the proposed construction methodology.

Staff-2

Ref: (1) Exhibit B, Tab 2, Schedule 1, p. 1.

Preamble:

Hydro One states that the total length of the K4 transmission line is 97 km, with Hydro One owning and managing 64 km, while the remaining portion is customer-owned. The sections of the K4 transmission line owned and operated by Hydro One, not covered in this application, underwent refurbishment in 2011 and are currently deemed to be in good operational condition.

Questions:

- a) Please confirm whether Hydro One sought approval from the Board for the refurbishment of the Hydro One-owned K4 transmission line, which was addressed in 2011.
- b) Please provide the docket number if applicable.

Staff-3

Ref: (1) Exhibit E, Tab 1, Schedule 1, p. 3.

Preamble:

Hydro One has applied for approval of the forms of the agreement offered or to be offered to affected landowners pursuant to s.97 of the OEB Act, for permanent land rights and temporary construction rights for access or staging areas required for the duration of the construction period. Hydro One states that there are two privately held properties it requires new land rights for.

Questions:

- a) Please confirm the current status of the land rights for both privately held properties.
- b) Please confirm that all impacted landowners will have the option to receive independent legal advice regarding the proposed land agreements.
- c) Please confirm if there is still a possibility of expropriation as identified in the application risks and contingencies.

Staff-4

Preamble:

Hydro One has applied for leave to construct approval pursuant to s.92 of the OEB Act.

The OEB typically imposes a set of [standard conditions of approval](#) (Schedule 1) as part of its leave to construct approvals. As stated in the OEB's [Filing Requirements](#) for Electricity Transmission leave to construct applications, applicants should expect to meet those standard conditions. If an applicant believes that a condition should be modified, the applicant must request any proposed changes and provide supporting rationale in its application.

Question:

- a) Please comment on the OEB’s standard conditions of approval for electricity transmission leave to construct applications noted above. If Hydro One does not agree with any of the specific draft conditions of approval noted below, please identify the specific conditions that Hydro One disagrees with and explain why. For conditions in respect of which Hydro One would like to recommend changes, please provide the proposed changes.

Staff-5

Ref: (1) Exhibit B, Tab 5, Schedule 1, pp. 1-3

Preamble:

Hydro One considered five incrementally larger conductor options as part of its cost benefit analysis. Alternative 4 the preferred option, provided additional incremental scope and cost and is analyzed in the table below.

Table 2 – Peak Flow Analysis of Line Losses for Alternatives

	Alt. #1 411 kcmil	Alt. #2 477 kcmil	Alt. #3 732 kcmil	Alt. #4 997 kcmil	Alt. #5 1443.7 kcmil
Capital Cost (\$M)	13.56	13.57	13.74	13.90	14.65
Losses at Peak Flow (MW) ¹	0.31	0.27	0.18	0.13	0.09
Annual Revenue Costs (\$M)	1.03	1.03	1.04	1.05	1.11
Annual Cost of losses ² (\$M)	0.13	0.11	0.08	0.06	0.04
Total Annual Cost (\$M)	1.16	1.14	1.12	1.11	1.15

Questions:

- a) Please explain how Hydro One calculated “Annual Cost of Losses in the table above.
- b) Please explain how Hydro One calculated “Losses at Peak Flow” in the table above.

Staff-6

Ref: (1) Exhibit B, Tab 7, Schedule 1, pp. 6

Preamble:

Hydro One provided the costs of similar projects for baseline cost comparisons. Hydro One cites industry changes since project completion, driven by global factors like supply chain issues, interest rate hikes, and inflation, as significantly impacting cost comparability.

Questions:

- a) Please provide the unit cost/per km for all incremental conductor sizes.
- b) Please explain further why the unit cost is almost double compared to Circuit H9K Reinforcement Project as shown in the application.