

BY EMAIL AND RESS

May 21, 2025

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

Dear Ms. Marconi,

EB-2022-0142 – Hydro One Networks Inc.'s Southwestern Ontario Transmission Line Projects – Bi-annual Reporting for the Period November 1, 2024 to April 30, 2025

Please find attached Hydro One Networks Inc.'s, ("Hydro One") bi-annual reporting pertaining to transmission projects defined in Hydro One's licence and located in southwestern Ontario, jointly referred to as the Southwestern Ontario Transmission Line Projects. More specifically, the two attached reports contain details regarding Hydro One's development activities for the:

- Two separately identified 500kV single-circuit transmission line projects that will span between Longwood Transformer Station ("TS") and Lakeshore TS.
- Windsor Area to Lakeshore Transmission Line (Lauzon TS x Lakeshore TS) Project.

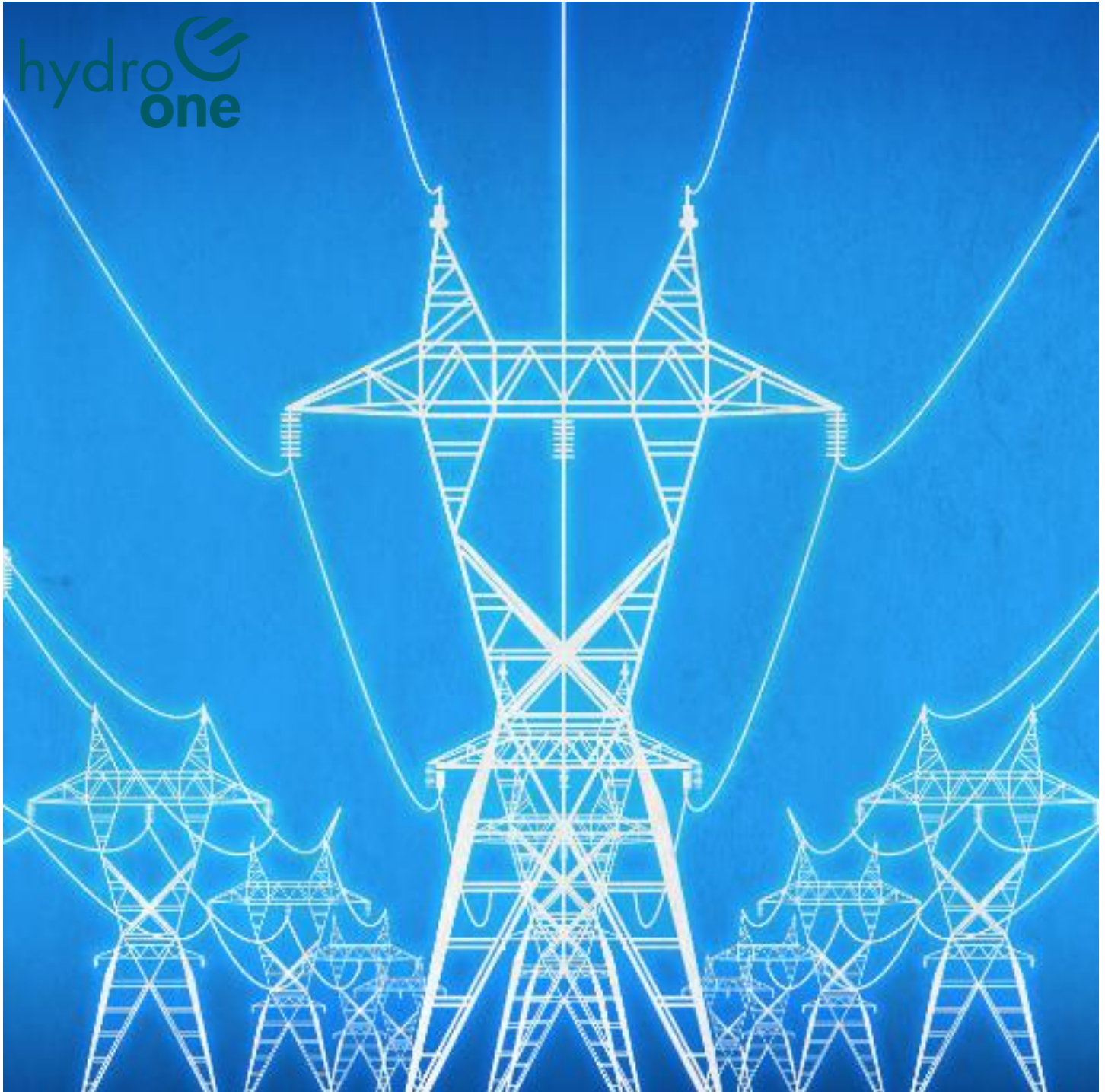
These reports cover the reporting period November 1, 2024 to April 30, 2025, consistent with the direction provided by the Ontario Energy Board ("OEB") in its letter dated May 24, 2022.

An electronic copy of the bi-annual reports for the Southwestern Ontario Transmission Line Projects has been submitted using the OEB's Regulatory Electronic Submission System.

Sincerely,



Pasquale Catalano



Southwest Ontario Transmission Line Projects

Longwood TS to Lakeshore TS Transmission Line Projects

Ontario Energy Board Progress Report

November 1, 2024, to April 30, 2025

EXECUTIVE SUMMARY

On April 6, 2022¹, the Ontario Energy Board (“OEB”) amended Hydro One Network Inc.’s (“Hydro One”) transmission licence (ET-2003-0035) to include a requirement for Hydro One to develop and seek all necessary approvals for four new transmission projects located in Southwestern Ontario as per the Directive approved by the Lieutenant Governor in Council on March 31, 2022, as Order in Council (“OIC”) No. 875/2022.

Hydro One’s guiding recommendations for these four transmission projects in the Southwestern Ontario area are driven by two specific reports by the Independent Electricity System Operator (“IESO”) as documented in Hydro One’s letter to the OEB on April 12, 2022².

The transmission line component of these four identified transmission projects included in Hydro One’s licence is expected to be owned by and included in the rate base of a new partnership, as a licenced transmitter. The line costs will therefore be included in the Affiliate Transmission Projects Account (“ATP Account”) and will not form part of Hydro One’s rate base. On July 8, 2022³, Hydro One notified the OEB that it intends to begin using the ATP Account for tracking the costs of these projects, in the same manner as those already approved in EB-2021-0169. The associated station work for each project is expected to form part of Hydro One’s transmission rate base.

On May 24, 2022⁴, the OEB requested Hydro One prepare semi-annual project update reports detailing the budget, timing and risks associated with the development of the Projects. This document includes the project reporting details for the development of the two new 500 kV transmission lines from Longwood Transformer Station to Lakeshore Transformer Station (Projects #2 and #3), including associated station facility expansions or upgrades required at the terminal stations.

Project #2 is in the development stage and is being monitored for risks. Risk mitigation is implemented as a matter of routine activity by the Project teams. Delays in regulatory approvals remain an active risk that Hydro One is working with regulators to manage. At this time, Project #3 requires further IESO study and direction in terms of timing of the in-service date. Aligned with the Directive, expenditures incurred for Project #3 relate to the Environmental Assessment (“EA”) and other activities to develop the project and reduce lead times for future construction and energization of the line when timing of the in-service date is provided by the IESO, and to the extent that they are incrementally separable from Project #2. This work is being conducted in parallel with Project #2.

¹ EB-2022-0142 OEB’s Decision and Order on Hydro One’s Tx Licence, dated April 6, 2022:

<https://www.rds.oeb.ca/CMWebDrawer/Record/744938/File/document>

² EB-2022-0142 Hydro One’s Letter to OEB, dated April 12, 2022:

<https://www.rds.oeb.ca/CMWebDrawer/Record/745384/File/document>

³ EB-2022-0142 Hydro One’s ATP Account Notification Letter to the OEB, dated July 8, 2022:

<https://www.rds.oeb.ca/CMWebDrawer/Record/750584/File/document>

⁴ EB-2022-0142 OEB’s Letter to Hydro One on Reporting Requirements, dated May 24, 2022:

<https://www.rds.oeb.ca/CMWebDrawer/Record/747758/File/document>

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BACKGROUND

On April 4, 2022⁵, the Minister of Energy issued a Directive to the OEB under section 28.6.1 of the Ontario Energy Board Act, 1998 (“OEB Act”) requiring the OEB to amend Hydro One’s electricity transmission licence to require Hydro One to develop and seek approvals for four transmission line projects located in Southwestern Ontario (collectively referred to as “the Projects”), that were approved by the Lieutenant Governor in Council on March 31, 2022, as Order in Council No. 875/2022⁶. The Projects are as follows:

1. **Project #1** - A new 230 kilovolt (kV) transmission line from Lambton Transformer Station to Chatham Switching Station, including associated station facility expansions or upgrades required at the terminal stations;
2. **Project #2** - A new 500 kV transmission line from Longwood Transformer Station to Lakeshore Transformer Station, including associated station facility expansions or upgrades required at the terminal stations;
3. **Project #3** - A second new 500 kV transmission line from Longwood Transformer Station to Lakeshore Transformer Station, including associated station facility expansions or upgrades required at the terminal stations; and
4. **Project #4** - A new 230 kV transmission line that connects the Windsor area to the Lakeshore Transformer Station, including associated station facility expansions or upgrades required at the terminal stations.

The Order in Council 875/2022 accompanying the Directive states that expansion of Ontario’s transmission system is critical to provide a reliable and adequate supply of electricity to Southwestern Ontario to support economic growth in the region, including the rapidly growing agricultural sector and the potential for growth in the electric vehicle and broader automotive sectors. Furthermore, Projects #1 and #2 listed in the Directive have been declared to be needed as priority projects pursuant to section 96.1 of the OEB Act in Order in Council No. 876/2022 dated March 31, 2022⁷.

The Directive also required the OEB to amend Hydro One’s licence to include a condition that the scope and timing for the Projects accord with the recommendations of the IESO, and it also directed the OEB to require that Hydro One provide such reporting to the OEB as the OEB may consider appropriate with respect to budget, timing, and risks in relation to the development of the Projects.

⁵ Minister of Energy’s Letter to OEB, dated April 4, 2022:

<https://www.oeb.ca/sites/default/files/Letter-from-the-Minister-of-Energy-to-Dicerni-20220404.pdf>

⁶ Order in Council No. 875/2022, dated March 31, 2022: <https://www.oeb.ca/sites/default/files/OC-875-2022.pdf>

⁷ Order in Council No. 876/2022, dated March 31, 2022: <https://www.oeb.ca/sites/default/files/OC-876-2022.pdf>

On April 12, 2022⁸, Hydro One's provided the OEB with the IESO's guiding recommendations for these four transmission reinforcement projects in the Southwestern Ontario Area. The recommendations are driven by two specific reports by the IESO:

1. [West of London Bulk Study – Need for Bulk System Reinforcements West of London](#) (September 2021)
2. [Windsor-Essex IRRP Addendum Report](#) (February 2022)

These IESO reports affirmed the Projects' need and identified the scope and timing of each. *The West of London Bulk Study* references these projects in Section 7.3 Near Term Recommendations (Project #1), Section 8.3 Long Term Recommendations (Projects #2 and #3) and Section 9.3 Interdependency with Regional Planning (Project #4). The *West of London Bulk Study* identified the need and timing of Project #2. Section 6.1.2 *Coordination with the West of London Bulk Plan of the Windsor-Essex IRRP Addendum Report* also references Project #4.

In a letter dated May 24, 2022⁹, the OEB requested that Hydro One prepare semi-annual reports to the OEB that provided updates on the following matters:

- Overall Project progress
- Development cost
- Development work schedule
- Risks and Issues Log
- Project scope and timing recommendations provided by the IESO.

The reports should be filed as follows:

- May 1 to October 31 for reporting in November, and
- November 1 to April 30 for reporting in May.

All reports are to be filed by the 15th business day of the month following the end of each reporting period.

This document includes the project reporting for the development of Projects #2 and #3, the two single-circuit 500 kV transmission lines from Longwood TS to Lakeshore TS. Since both Projects are distinct but have the same terminal facilities, they have been included together in this report for the purposes of maintaining regulatory efficiency. Project #2 is in active development while Project #3 requires further studies by IESO to determine the in-service date. As the Class Environmental Assessment ("Class EA") covers both projects, Hydro One's intention is to continue to prepare and submit the updates together until the Class EA is complete. Following completion of the Class EA, Hydro One will propose if it remains efficient to continue to report bi-

⁸ EB-2022-0142 Hydro One's Letter to OEB, dated April 12, 2022:
<https://www.rds.oeb.ca/CMWebDrawer/Record/745384/File/document>

⁹ EB-2022-0142 OEB's Letter to Hydro One on Reporting Requirements, dated May 24, 2022:
<https://www.rds.oeb.ca/CMWebDrawer/Record/747758/File/document>

annual progress of both projects within the same report moving forward. The project reporting for the subsequent Project #4 is the subject of separate bi-annual report that will be filed with the OEB in conjunction with this report. The development phase and corresponding development period reporting condition for Project #1, now referred to as the St. Clair Transmission Line (“SCTL”) Project, elapsed with the filing of Hydro One’s leave to construct application for that project. The OEB has since approved that sought relief.¹⁰ Hydro One will no longer detail the SCTL Project in these bi-annual development period reports on a go-forward basis.

Hydro One’s OEB-Approved Affiliate Transmission Projects Regulatory Account

On October 7, 2021, the OEB approved Hydro One’s application for an accounting order to establish a new regulatory account, the Affiliate Transmission Projects (“ATP”) Account. The ATP Account will be used for a transmission line project where:

1. Hydro One has, or will, receive a letter from the IESO identifying transmission system needs, and/or an Order in Council or direction from the Minister of Energy for the development or construction of a transmission line project and,
2. All or part of the transmission line project is expected to be owned by and included in the rate base of a new partnership, as a licensed transmitter, such that costs included in the ATP Account Project will not form part of Hydro One’s rate base.

The four new transmission line projects, two of which are reported on in this document, are expected to be owned by and included in the rate base of a new partnership, as a licenced transmitter, such that costs included in the ATP Account Project will not form part of Hydro One’s rate base. Conversely, the associated station work for the Projects is expected to form part of Hydro One’s future transmission rate base. Once the project is in-serviced, and for any Project station work not sufficiently forecast and included in Hydro One’s OEB-approved transmission revenue requirement, Hydro One intends to use its OEB-approved Externally Driven Work Account¹¹ (“EDWA”) to record any such revenues for recovery. The EDWA would be used until such time the station assets and associated facilities can be included in Hydro One’s rate base.

On July 8, 2022¹², Hydro One notified the OEB that it intends to begin using the ATP Account for tracking the line costs of these projects in the same manner as those already approved in EB-2021-0169.

¹⁰ EB-2024-0155 St. Clair Transmission Line - OEB Decision and Order, dated December 10, 2024: <https://www.rds.oeb.ca/CMWebDrawer/Record/875410/File/document>

¹¹ Hydro One’s EDWA was granted by the OEB as part of the JRAP Settlement (EB-2021-0110). This account records the revenue requirement impact of mandatory transmission work required by governmental authorities.

¹² EB-2022-0142 Hydro One’s ATP Account Notification Letter to the OEB, dated July 8, 2022: <https://www.rds.oeb.ca/CMWebDrawer/Record/750584/File/document>

Project Summary Table

For ease of reference, and comparison, Table 1 below provides a summary of the two individual Projects. A map of Southwestern Ontario and the new transmission projects, including Projects #2 and #3, can be found at Attachment 1 to this document.

Table 1 - Summary of Project #2 and #3 – Longwood TS to Lakeshore TS Transmission Line Projects

Project	Status	Line Name	Voltage (kV)	Length (KM)	Circuit Type	Completion	Project Stage	Notes
Project #2	To Be Developed and Prioritized for Construction	Longwood to Lakeshore Transmission Line (Line 1)	500 kV	Approx. 120	Single	2030	Under development	Development underway
Project #3	To Be Developed	Longwood to Lakeshore Transmission Line (Line 2)	500 kV	Approx. 120	Single	No current Timeline established	Under development	Further Study by IESO Required to establish the date the project is required to be energized

PROJECT REPORT

Project 2 – New 500 kV Transmission Line from Longwood TS to Lakeshore TS

The project, identified as Project #2 in the listing above, is also known as “Line 1” of the total circuits contemplated between Longwood TS to Lakeshore TS. The Directive to Hydro One called for two new 500 kV transmission lines between these two stations. The two projects are expected to have different construction and in-service timelines.

OVERALL PROGRESS BY PROJECT

In the IESO’s “*Need for Bulk System Reinforcements West of London*” report issued in September 2021, among other things, the IESO identified a need for a new 500kV single-circuit transmission line, approximately 135 km in length, from Longwood TS to Lakeshore TS (also known and referred to as “Line 1”, due to another 500 kV circuit project of the same nature also being defined between those two stations) with a planned in-service of 2030. In the same report, the IESO also indicated a second 500 kV single-circuit transmission line (also known and referred to as “Line 2”), approximately 135 km in length in the area should be considered as an option to address higher growth. Via an OIC, dated March 31, 2022, the Government declared the first 500kV single-circuit transmission line (Project #2) a priority project, and designated Hydro One as the transmitter.

To better coordinate rights-holder and stakeholder consultations for the second 500 kV circuit (Project #3), the development work, consisting of the environmental assessment activities and consultations, has commenced and includes those elements for both 500 kV projects (Line 1 and Line 2). However, at this time Hydro One expects it will seek separate OEB Leave to Construct approvals for each line, starting with Project #2 (Line 1). As part of ongoing regional and bulk planning assessments, as led by the IESO, the IESO is expected to determine the timing of Project #3 (Line 2) in the future. When further details are known, Hydro One will include those details in future Project reporting.

Hydro One began development work in October 2022 and continues to proceed with development work for Project #2 and Project #3. The following summarizes the work that was undertaken within the reporting period.

Environmental Approvals

Hydro One continues to proceed with development work for these Projects. In consultation with IESO, and with their support, Hydro One is proceeding with the Class EA for both Project #2 and Project #3 to shorten the overall Project lead time required to have the assets ready to be in service to meet the electricity capacity needs, for Line 1, and, when the in-service date is finalized by the IESO for Line 2.

During the period November 2024 to April 2025 Hydro One continued to progress the Class EA with a focus on:

- Seeking input from rights-holders and stakeholders on the route refinements shared in October 2024;
- Further technical analysis of the route alternatives resulting in additional refinements;
- Completing a comparative evaluation of the route alternatives to select a preferred route;
- Preparation for the public notification of the preferred route;
- Commencing production of the draft Environmental Study Report; and
- Preferred route field work planning.

Key engagement activities that occurred during this reporting period include:

- Four in-person Community Open Houses (“COHs”) in Comber, Chatham, Appin and Thamesville on November 19, 20, 27, and 28, 2024 respectively to provide a project update and seek input on the route refinements shared in October 2024;
- Numerous meetings with potentially impacted stakeholders, including for example municipalities and interest groups, and potentially impacted landowners; and
- A project update distributed via email to the project contact list on April 22, 2025 providing notification that the preferred route would be announced in early-May.

The Class EA process is expected to continue through early 2026, with the near-term focus on announcing the preferred route in May 2025 and releasing the draft Environmental Study Report for review and comment in Fall 2025.

Ongoing consultation and engagement are being performed with ten Indigenous communities, government agencies, the public and other interested parties. Capacity, in the form of funding and training, is being provided to Indigenous communities to assure opportunity for extensive participation and consultation in the Project.

Key engagement activities during this reporting period with Indigenous communities included a Community Open House at Walpole Island First Nation on November 14, 2024.

Engineering and Design

Engineering and design work continues for the expansion of two of Hydro One’s transmission stations, i) Longwood TS, and ii) Lakeshore TS, to support the need for Project #2. Engineering and design for the line work continues for Project #2 and Project #3 as required to support the development work such as determining tower types and configurations.

COSTS

The IESO indicated that the planning level allowance used in the economic assessment of the solution for the “*Need for Bulk System Reinforcements West of London report September 2021*” utilized a range of between \$800M and \$1,150M for Project #2 (Line 1), with a contingency allowance of 50% for the transmission line portion of the Project.

Consistent with the Order in Council for this Project, and the timing requirements for its delivery, Hydro One has commenced development work for the Project, as indicated by the expenditures to date shown in Table 2, below. The budget for the development work has now been updated based on maturity of the development work and reflected in this report.

Table 2 - Project Development Costs – Project #2 – 500 kV transmission line from Longwood TS to Lakeshore TS (Line 1)

	Actuals Spent			Forecast Budget Variance					
	A	B	C	D	E	F	G	H	I
	Spent this Reporting Period (Millions)	Total Spent to Date (Millions)	Budget per October 2023 Report ¹³ (Millions)	Forecast Budget Change from Last Report (Millions)	Forecast Budget Change from Last Report ¹⁴ (%)	Revised Total Budget (Millions)	G = F - B Budget Remaining (Millions)	H = G/F * 100 Budget Remaining (%)	Reasons for Change
Real Estate	\$0.39	\$1.10	\$0.8	\$27.3	3412%	\$28.1	\$27.0	96%	Project Maturity
Engineering and Design	\$3.50	\$9.05	\$9.3	\$5.6	60%	\$14.9	\$5.85	39%	Project Maturity
Environmental Approvals	\$1.07	\$3.59	\$3.1	\$8.2	264%	\$11.3	\$7.71	68%	Project Maturity
Indigenous Consultation	\$0.36	\$1.77	\$4.0	\$2.9	72%	\$6.9	\$5.13	74%	Project Maturity
Project Management	\$0.58	\$2.64	\$2.2	\$5.2	236%	\$7.4	\$4.76	64%	Project Maturity
Contingency	\$0.00	\$0.00	\$1.7	\$6.5	382%	\$8.2	\$8.20	100%	Project Maturity
Other Consultation	\$0.14	\$3.13	\$5.8	\$1.4	24%	\$7.2	\$4.07	56%	Project Maturity
Interest and Overhead	\$0.57	\$1.44	\$2.5	\$4.7	188%	\$7.2	\$5.76	80%	Project Maturity
Total	\$6.61	\$22.72	\$29.4	\$61.8	210%	\$91.2	\$68.48	75%	

¹³ Budget amounts shown in *Column C* are for the Project's EA phase only as originally identified in the October 2023 Report. With further project maturity, the total project development work budget is now reflected in *Column F*.

¹⁴ Forecast Budget Change from Last Report shown in *Column E* represents *Column D* divided by *Column C* multiplied by 100.

PROJECT SCHEDULE

In the IESO “*Need for Bulk System Reinforcements West of London*” report issued in September 2021, the IESO indicated that the Longwood TS to Lakeshore TS Transmission Line (Project #2) would be required to be in service by 2030. Hydro One has built out a development schedule with the goal of completing all development work by the end of 2026, which will allow time to construct and in-service the line by the need date. Table 3 presents the key milestones involved in completing development work.

The Draft and Final ESR timelines have been deferred immaterially to allow for the incorporation of some additional route refinements resulting from further technical analysis; and ongoing engagement with impacted landowners in advance of the Community Open Houses.

Table 3 - Project Schedule – Project #2 – New 500 kV transmission line from Longwood TS to Lakeshore TS (Line 1)

Milestones	Schedule	Completed	Adjusted To
Notice of Commencement of Terms of Reference (TOR)	February 2023	February 27, 2023, to March 3, 2023. (With pre-release to Indigenous Communities and key stakeholders occurring February 13, 2023, to February 24, 2023)	-
Community Open House #1	March 2023	March 21, 22, 23, 29, 30, 2023	-
Virtual Open House #1	April 2023	April 13, 2023	-
Data collection, and development of route alternatives	From Early 2023 to Late 2023	Route Alternatives shared publicly in NoC of Class EA in March 2024.	-
Notice of Commencement of Class EA	March 2024	Distribution began the week of March 4, 2024	-
Community Open House #2	Early 2024	March 26 and 27, 2024, and April 3 and 4, 2024	-
Virtual Open House #2	Early 2024	April 24, 2024	-
Consultation and data collection in support of the Class EA	2024 - 2025	Ongoing	-
Route Refinements	Late 2024	Route refinements shared publicly in October 2024	-
Community Open House #3	November 2024	November 19, 20, 27, 28, 2024	-
Selection of preferred routes	Early-mid 2025	Preferred Route Announcement planned for early May 2025	-
Publish the draft Environmental Study Report (ESR) for public review	Mid 2025	-	Fall 2025
Submit Final ESR and complete the Class EA process	Late 2025	-	Early 2026
Leave to Construction (Section 92) application	2026	-	-
Construction	2027-2030	-	-

RISKS AND ISSUES LOG

The below risks have been identified for the EA stage of this Project. Risks for further stages of the Project development work will be identified as Project development work, and stages progress.

- There is a risk of delay to the Project as a result of unknown constraints being discovered late in the detailed design process. To mitigate this risk, Hydro One is conducting an extensive consultation program to seek local information from landowners, as well as undertaking natural environment and technical surveys to minimize route refinements late in the process.
- There's a risk of delay to the Project as a result of Section 16 Order requests. To mitigate this risk, Hydro One continues to offer engagement opportunities with Indigenous communities proximate to the Project's EA study area, which includes offering the provision of capacity funding to potentially impacted communities, to support these consultation activities and involvement in the EA process.

Project execution risks will be identified at a later date and will be included in Hydro One's Leave to Construct application that will be submitted to the OEB.

PROJECT SCOPE AND TIMING RECOMMENDATIONS PROVIDED BY THE IESO

Should the IESO provide updates to the scope and/or timing recommendations to Hydro One for Project #2 (Line 1), those details will be provided to the OEB and summarized in this section of the Report going forward. Information in this section will reflect any update(s) provided to Hydro One within the semi-annual reporting period to which the report pertains.

Updates - Nothing to report during the period.

PROJECT REPORT

Project 3 - A second new 500 kV transmission line from Longwood TS to Lakeshore TS

The Project, identified as Project #3 in the listing above, is also known as “Line 2”, the second circuit contemplated between Longwood TS to Lakeshore TS.

OVERALL PROGRESS BY PROJECT

The Project #2 and Project #3 environmental assessment (“EA”) study areas directly overlap. To better coordinate rights-holder and stakeholder consultations for Project #3 for the second 500 kV single-circuit transmission line (also known as Line 2), development work consisting of EA activities has commenced and includes scope for both 500 kV projects (i.e., Line 1 and Line 2). Therefore, independent Project #3 development activities consist of a subset of overall Project #2 activities, as listed in the Project #2 project update above.

Environmental Approvals

Given the joint nature of Environmental Approvals for Projects #2 and #3, all updates associated with Environmental Approvals are the same as those detailed in Project #2 update above.

Engineering and Design

Engineering and design work has begun for the expansion of two of Hydro One’s transmission stations, i) Longwood TS, and ii) Lakeshore TS, to support the need for Project #2. Engineering and design basis for the line work continues for Project #2, which is also applicable to Project #3.

COSTS

Hydro One will be determining a project-specific development budget once there is more clarity on the line routes and the incremental subset of development activities related to Project #3. As at the reporting date, only minor costs have been incurred for Project #3, so far as they are distinguishable from Project #2. The majority of cost-related activity for Project #3 is attributable to the Project’s Class EA work, that is being undertaking for both projects in parallel.

Table 4 - Project Development Costs – Project #3 – A second new 500 kV transmission line from Longwood TS to Lakeshore TS (Line 2)

	Actuals Spent		C	Forecast Budget Variance					
	A	B		D	E	F	G	H	I
	Spent this Reporting Period (Millions)	Total Spent to Date (Millions)		Forecast Budget Change from Last Report (Millions)	Forecast Budget Change from Last Report (%)	Revised Total Budget (Millions)	G = F - B Budget Remaining (Millions)	H = G/F * 100 Budget Remaining (%)	Reasons for Change
Real Estate	\$0.00	\$0.02	TBD	\$0.00	0%	\$0.00	TBD	TBD	
Engineering and Design	\$0.00	\$0.00	TBD	\$0.00	0%	\$0.00	TBD	TBD	
Environmental Approvals	\$0.00	\$0.27	TBD	\$0.00	0%	\$0.00	TBD	TBD	
Indigenous Consultation	\$0.00	\$0.00	TBD	\$0.00	0%	\$0.00	TBD	TBD	
Project Management	\$0.00	\$0.05	TBD	\$0.00	0%	\$0.00	TBD	TBD	
Contingency	\$0.00	\$0.00	TBD	\$0.00	0%	\$0.00	TBD	TBD	
Other Consultation	\$0.00	\$0.08	TBD	\$0.00	0%	\$0.00	TBD	TBD	
Interest and Overhead	\$0.01	\$0.06	TBD	\$0.00	0%	\$0.00	TBD	TBD	
Total	\$0.01	\$0.48	TBD	\$0.00	0%	\$0.00	TBD	TBD	

¹⁵ The development budget for Project #3 will be determined after obtaining clarity on the Line 2 route.

PROJECT SCHEDULE

A separate Project Schedule has not been developed for Project #3 at this time. Key Project #3 interface activities and milestones have been included in Project #2 schedule above, as most activities currently planned are not separable from Project #2. Currently Project #3 has no defined in-service date. The EA work for both Projects is being undertaken concurrently, (i.e., study areas for Project #2 and Project #3) and is effectively identical, at this early stage of the development for both projects. Work in common is identified in the Table 3 Project Schedule above. No other significant project development work for Project #3, separate to that from Project #2, has occurred as at the reporting date.

RISKS AND ISSUES LOG

A separate risk assessment has not been developed for Project #3 at this time. The risks for the EA stage of this Project are the same risks as those noted above for Project #2. Risks for further stages of the Project development work will be identified as the Project progresses.

PROJECT SCOPE AND TIMING RECOMMENDATIONS PROVIDED BY THE IESO

Should the IESO provide updates to the scope and/or timing recommendations to Hydro One for Project #3, those details will be provided to the OEB and summarized in this section of the Report going forward. Information in this section will reflect any update(s) provided to Hydro One within the semi-annual reporting period to which the report pertains.

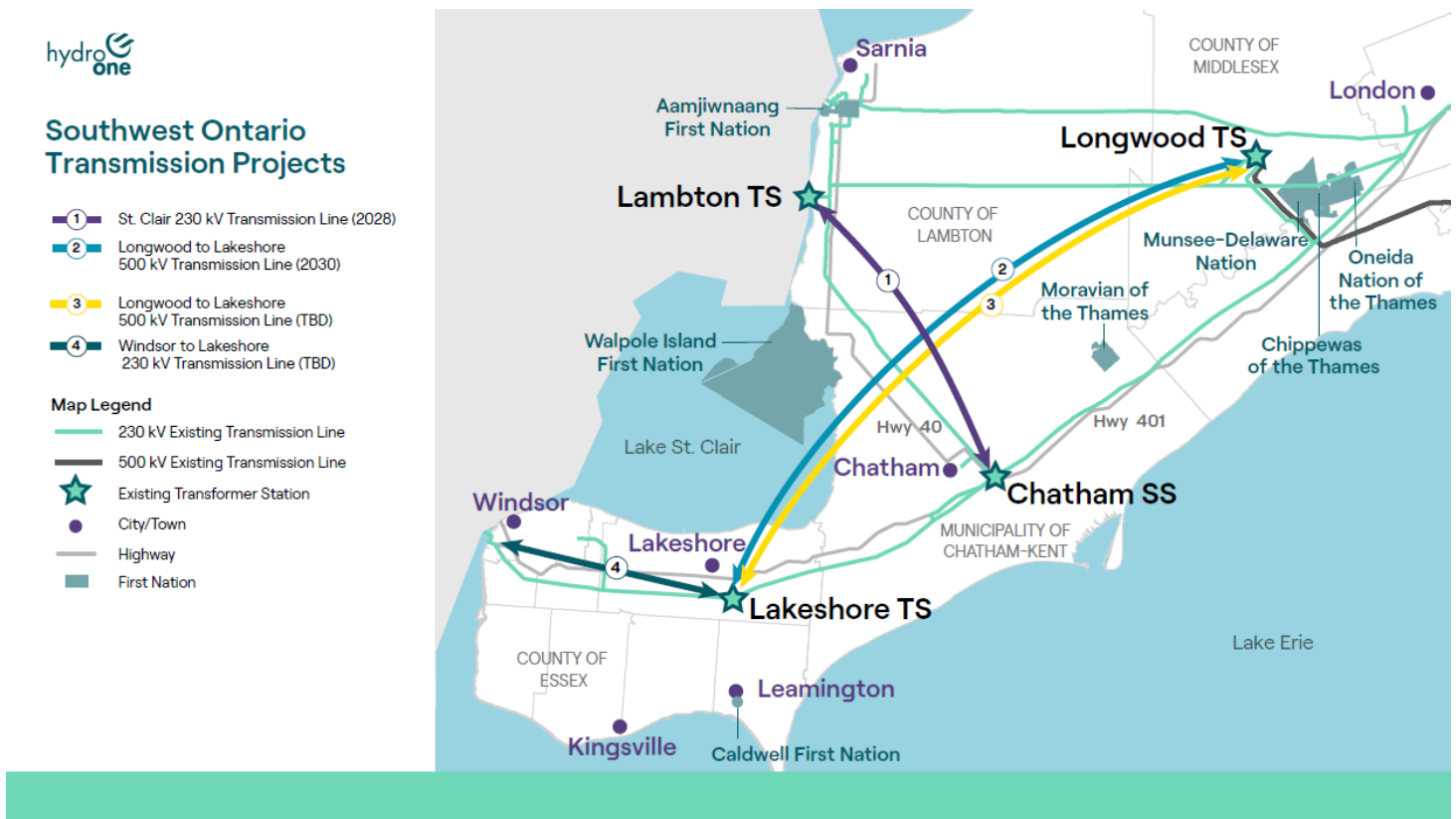
Additional IESO studies for Project #3 will provide more project definition, scope, and in-service timing, prior to Hydro One commencing further meaningful project development work beyond the EA work, that is being undertaken in parallel with Project #2. Hydro One's future semi-annual reports will include more details when they become available.

Updates - Nothing to report during the period.

ATTACHMENT 1

Map of the New Transmission Lines in Southwestern Ontario

Of the four transmission lines included in the Map of the *Southwestern Ontario Transmission Projects*, the Projects whose information is included in this bi-annual report are for Project's #2 and #3, and are circuits planned to span between Longwood TS and Lakeshore TS. Project's #2 and #3 are also referred to in this report as Line 1 and Line 2, due to the different execution and in-service expectations.





Southwest Ontario Transmission Line Projects

Windsor Area to Lakeshore Transmission Line Project (Lauzon TS x Lakeshore TS)

Ontario Energy Board Progress Report

November 1, 2024, to April 30, 2025

EXECUTIVE SUMMARY

On April 6, 2022¹, the Ontario Energy Board (“OEB”) amended Hydro One Network Inc.’s (“Hydro One”) transmission licence (ET-2003-0035) to include a requirement for Hydro One to develop and seek all necessary approvals for four new transmission projects located in Southwestern Ontario as per the Directive approved by the Lieutenant Governor in Council on March 31, 2022, as Order in Council (“OIC”) No. 875/2022.

Hydro One’s guiding recommendations for these four transmission projects in the Southwestern Ontario area are driven by two specific reports by the Independent Electricity System Operator (“IESO”) as documented in Hydro One’s letter to the OEB on April 12, 2022².

The transmission line component of these four identified transmission projects included in Hydro One’s licence is expected to be owned by and included in the rate base of a new partnership, as a licenced transmitter. The line costs will therefore be included in the Affiliate Transmission Projects Account (“ATP Account”) and will not form part of Hydro One’s rate base. On July 8, 2022³, Hydro One notified the OEB that it intends to begin using the ATP Account for tracking the costs of these projects, in the same manner as those already approved in EB-2021-0169. The associated station work for each project is expected to form part of Hydro One’s transmission rate base.

On May 24, 2022⁴, the OEB requested Hydro One prepare semi-annual project update reports detailing the budget, timing and risks associated with the development of the Projects. This document includes the project reporting details for the fourth outlined project in that OEB request, described as a new 230 kV transmission line that will connect the Windsor area to the Lakeshore Transformer Station, including associated station facility expansions or upgrades required at the terminal stations (“the Lauzon TS x Lakeshore TS Project” or “the Project”).

On April 3, 2025, the IESO released the Windsor-Essex Integrated Regional Resource Plan (“IRRP”) report⁵, which further reinforced the OIC Directive and recommended to build a new 230 kV double-circuit transmission line from Lakeshore TS to Lauzon TS with a 2032 need date. With the issuance of this IRRP, Hydro One has only recently commenced work on this Project and as such development work for this Project is still in its infancy.

¹ EB-2022-0142 OEB’s Decision and Order on Hydro One’s Tx Licence, dated April 6, 2022:

<https://www.rds.oeb.ca/CMWebDrawer/Record/744938/File/document>

² EB-2022-0142 Hydro One’s Letter to OEB, dated April 12, 2022:

<https://www.rds.oeb.ca/CMWebDrawer/Record/745384/File/document>

³ EB-2022-0142 Hydro One’s ATP Account Notification Letter to the OEB, dated July 8, 2022:

<https://www.rds.oeb.ca/CMWebDrawer/Record/750584/File/document>

⁴ EB-2022-0142 OEB’s Letter to Hydro One on Reporting Requirements, dated May 24, 2022:

<https://www.rds.oeb.ca/CMWebDrawer/Record/747758/File/document>

⁵ IESO’s Windsor-Essex Integrated Regional Resource Plan report, dated April 3, 2025:

<https://ieso.ca/-/media/Files/IESO/Document-Library/regional-planning/Windsor-Essex/Windsor-Essex-2025-IRRP.pdf>

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BACKGROUND

On April 4, 2022⁶, the Minister of Energy issued a Directive to the OEB under section 28.6.1 of the Ontario Energy Board Act, 1998 (“OEB Act”) requiring the OEB to amend Hydro One’s electricity transmission licence to require Hydro One to develop and seek approvals for four transmission line projects located in Southwestern Ontario (collectively referred to as “the Projects”), that were approved by the Lieutenant Governor in Council on March 31, 2022, as Order in Council No. 875/2022⁷. The Projects are as follows:

1. **Project #1** - A new 230 kilovolt (kV) transmission line from Lambton Transformer Station to Chatham Switching Station, including associated station facility expansions or upgrades required at the terminal stations;
2. **Project #2** - A new 500 kV transmission line from Longwood Transformer Station to Lakeshore Transformer Station, including associated station facility expansions or upgrades required at the terminal stations;
3. **Project #3** - A second new 500 kV transmission line from Longwood Transformer Station to Lakeshore Transformer Station, including associated station facility expansions or upgrades required at the terminal stations; and
4. **Project #4** - A new 230 kV transmission line that connects the Windsor area to the Lakeshore Transformer Station, including associated station facility expansions or upgrades required at the terminal stations.

The Order in Council 875/2022 accompanying the Directive states that expansion of Ontario’s transmission system is critical to provide a reliable and adequate supply of electricity to Southwestern Ontario to support economic growth in the region, including the rapidly growing agricultural sector and the potential for growth in the electric vehicle and broader automotive sectors. Furthermore, Projects #1 and #2 listed in the Directive have been declared to be needed as priority projects pursuant to section 96.1 of the OEB Act in Order in Council No. 876/2022 dated March 31, 2022⁸.

The Directive also required the OEB to amend Hydro One’s licence to include a condition that the scope and timing for the Projects accord with the recommendations of the IESO, and it also directed the OEB to require that Hydro One provide such reporting to the OEB as the OEB may consider appropriate with respect to budget, timing, and risks in relation to the development of the Projects.

⁶ Minister of Energy’s Letter to OEB, dated April 4, 2022: <https://www.oeb.ca/sites/default/files/Letter-from-the-Minister-of-Energy-to-Dicerni-20220404.pdf>

⁷ Order in Council No. 875/2022, dated March 31, 2022: <https://www.oeb.ca/sites/default/files/OC-875-2022.pdf>

⁸ Order in Council No. 876/2022, dated March 31, 2022: <https://www.oeb.ca/sites/default/files/OC-876-2022.pdf>

On April 12, 2022⁹, Hydro One's provided the OEB with the IESO's guiding recommendations for these four transmission reinforcement projects in the Southwestern Ontario Area. The recommendations are driven by two specific reports by the IESO:

1. [West of London Bulk Study – Need for Bulk System Reinforcements West of London](#) (September 2021)
2. [Windsor-Essex IRRP Addendum Report](#) (February 2022)

These IESO reports affirmed the Projects' need and identified the scope and timing of each. *The West of London Bulk Study* references these projects in Section 7.3 Near Term Recommendations (Project #1), Section 8.3 Long Term Recommendations (Projects #2 and #3) and Section 9.3 Interdependency with Regional Planning (Project #4). The *West of London Bulk Study* identified the need and timing of Project #2. Section 6.1.2 *Coordination with the West of London Bulk Plan of the Windsor-Essex IRRP Addendum Report* also references Project #4.

In a letter dated May 24, 2022¹⁰, the OEB requested that Hydro One prepare semi-annual reports to the OEB that provided updates on the following matters:

- Overall Project progress
- Development cost
- Development work schedule
- Risks and Issues Log
- Project scope and timing recommendations provided by the IESO.

The reports should be filed as follows:

- May 1 to October 31 for reporting in November, and
- November 1 to April 30 for reporting in May.

All reports are to be filed by the 15th business day of the month following the end of each reporting period.

This document includes the project reporting for the development of Project #4. On April 3, 2025, the IESO released the Windsor-Essex Integrated Regional Resource Plan ("IRRP") report¹¹, which further reinforced the OIC Directive and recommended to build a new 230 kV double-circuit transmission line from Lakeshore TS to Lauzon TS with a 2032 need date. As of the reporting date, no meaningful, and / or separately identifiable planning or development activities have commenced pertaining to Project #4. The project reporting for the subsequent Projects #2 and #3 are the subject of separate bi-annual report that will be filed with the OEB in conjunction with this

⁹ EB-2022-0142 Hydro One's Letter to OEB, dated April 12, 2022:

<https://www.rds.oeb.ca/CMWebDrawer/Record/745384/File/document>

¹⁰ EB-2022-0142 OEB's Letter to Hydro One on Reporting Requirements, dated May 24, 2022:

<https://www.rds.oeb.ca/CMWebDrawer/Record/747758/File/document>

¹¹ IESO's Windsor-Essex Integrated Regional Resource Plan report, dated April 3, 2025:

<https://ieso.ca/-/media/Files/IESO/Document-Library/regional-planning/Windsor-Essex/Windsor-Essex-2025-IRRP.pdf>

report. The development phase and corresponding development period reporting condition for Project #1, now referred to as the St. Clair Transmission Line (“SCTL”) Project, elapsed with the filing of Hydro One’s leave to construct application for that project. The OEB has since approved that sought relief.¹² Hydro One will no longer detail the SCTL Project in these bi-annual development period reports on a go-forward basis.

Hydro One’s OEB-Approved Affiliate Transmission Projects Regulatory Account

On October 7, 2021, the OEB approved Hydro One’s application for an accounting order to establish a new regulatory account, the Affiliate Transmission Projects (“ATP”) Account. The ATP Account will be used for a transmission line project where:

1. Hydro One has, or will, receive a letter from the IESO identifying transmission system needs, and/or an Order in Council or direction from the Minister of Energy for the development or construction of a transmission line project and,
2. All or part of the transmission line project is expected to be owned by and included in the rate base of a new partnership, as a licensed transmitter, such that costs included in the ATP Account Project will not form part of Hydro One’s rate base.

The four new transmission line projects, one of which is reported on in this document, are expected to be owned by and included in the rate base of a new partnership, as a licenced transmitter, such that costs included in the ATP Account Project will not form part of Hydro One’s rate base. Conversely, the associated station work for the Project is expected to form part of Hydro One’s future transmission rate base. Once the project is in-serviced, and for any Project station work not sufficiently forecast and included in Hydro One’s OEB-approved transmission revenue requirement, Hydro One intends to use its OEB-approved Externally Driven Work Account¹³ (“EDWA”) to record any such revenues for recovery. The EDWA would be used until such time the station assets and associated facilities can be included in Hydro One’s rate base.

On July 8, 2022¹⁴, Hydro One notified the OEB that it intends to begin using the ATP Account for tracking the line costs of these projects in the same manner as those already approved in EB-2021-0169.

Project Summary Table

For ease of reference, and comparison, Table 1 below provides a summary of the Project. A map of Southwestern Ontario and the new transmission projects can be found at Attachment 1 to this document.

¹² EB-2024-0155 St. Clair Transmission Line - OEB Decision and Order, dated December 10, 2024:
<https://www.rds.oeb.ca/CMWebDrawer/Record/875410/File/document>

¹³ Hydro One’s EDWA was granted by the OEB as part of the JRAP Settlement (EB-2021-0110). This account records the revenue requirement impact of mandatory transmission work required by governmental authorities.

¹⁴ EB-2022-0142 Hydro One’s ATP Account Notification Letter to the OEB, dated July 8, 2022:
<https://www.rds.oeb.ca/CMWebDrawer/Record/750584/File/document>

**Table 1 - Summary of Project #4 - Windsor to Lakeshore Transmission Line Project
(Lauzon TS x Lakeshore TS)**

Status	Line Name	Voltage (kV)	Length (KM)	Circuit Type	Completion	Project Stage	Notes
To Be Developed	Windsor to Lakeshore Transmission Line	230 kV	42 ¹⁵	Double	2032	Under development	Preliminary Development underway

PROJECT REPORT

Project 4 - New 230 kV transmission line that connects Lauzon TS (Windsor Area) to Lakeshore TS

OVERALL PROGRESS BY PROJECT

In the IESO's Windsor-Essex IRRP report¹⁶ issued on April 3, 2025, among other things, the IESO recommended to build a new 230 kV double-circuit transmission line from Lakeshore TS to Lauzon TS to meet the supply capacity need in 2032 and support future growth in the area. This recommendation is in line with the scope of the Minister of Energy's existing direction¹⁷ that Hydro One develop and seek approvals for a new 230 kV transmission line that connects the Windsor area to the Lakeshore Transformer Station, including associated station facility expansions or upgrades required at the terminal stations.

Hydro One's development work for the Project is in its infancy. The project team is in the process of starting the early stages of developmental activities (i.e., developing the project deliverables, high-level schedule, high-level risk register and development phase estimate) based on the recent scope and need date provided by the IESO.

COSTS

Consistent with the description of the status of the Project above and due to the infancy of this Project's developmental phase, a project development budget has not yet been prepared. Hydro One's future semi-annual reports will include cost information for this Project once there is greater project definition.

¹⁵ The circuit length is an estimate only. The circuit's actual proposed length will be a function of the preferred route selected, which has not yet been completed.

¹⁶ IESO's Windsor-Essex Integrated Regional Resource Plan report, dated April 3, 2025:

<https://ieso.ca/-/media/Files/IESO/Document-Library/regional-planning/Windsor-Essex/Windsor-Essex-2025-IRRPPdf>

¹⁷ Order in Council No. 875/2022, dated March 31, 2022: <https://www.oeb.ca/sites/default/files/OC-875-2022.pdf>

PROJECT SCHEDULE

Due to the infancy of this Project's development phase, a project schedule has not yet been prepared. Hydro One's future semi-annual reports will include a project schedule when specific activities have been identified, and project plans have been developed based on the need date of 2032 indicated in the IESO's Windsor-Essex IRRP.

RISKS AND ISSUES LOG

The Project Risks and Issues Log for the Project has not yet been prepared due to the infancy of the Project. Hydro One's future semi-annual reports will include information for the Project when those specific activities have been undertaken and elements identified.

PROJECT SCOPE AND TIMING RECOMMENDATIONS PROVIDED BY THE IESO

Should the IESO provide an update to the scope, need, and/or timing recommendations to Hydro One for the Project, those details will be provided to the OEB and summarized in this section of the Report going forward. Information in this section will reflect any update/s provided to Hydro One within the semi-annual reporting period to which the report pertains.

Updates - On April 3, 2025, the IESO released the Windsor-Essex IRRP¹⁸, which further reinforced the OIC Directive and recommended to build a new 230 kV double-circuit transmission line from Lakeshore TS to Lauzon TS to meet the supply capacity need in 2032 and support future growth in the area.

¹⁸ IESO's Windsor-Essex Integrated Regional Resource Plan report, dated April 3, 2025:
<https://ieso.ca/-/media/Files/IESO/Document-Library/regional-planning/Windsor-Essex/Windsor-Essex-2025-IRRP.pdf>

ATTACHMENT 1

Map of the New Transmission Lines in Southwestern Ontario

Of the four transmission lines included in the Map of the *Southwestern Ontario Transmission Projects*, the Project whose information is included in this bi-annual report is for Project #4, and are circuits planned to span between Lauzon TS in the Windsor area and Lakeshore TS.



Southwest Ontario Transmission Projects

- ① St. Clair 230 kV Transmission Line (2028)
- ② Longwood to Lakeshore 500 kV Transmission Line (2030)
- ③ Longwood to Lakeshore 500 kV Transmission Line (TBD)
- ④ Windsor to Lakeshore 230 kV Transmission Line (TBD)

Map Legend

- 230 kV Existing Transmission Line
- 500 kV Existing Transmission Line
- ★ Existing Transformer Station
- City/Town
- Highway
- First Nation

