

BY EMAIL

July 25, 2025

Ritchie Murray
Acting Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4
Registrar@oeb.ca

Dear Ritchie Murray:

Re: Ontario Energy Board (OEB) Staff Submission

Hydro One Networks, Inc.

St Clair Project Expropriation Application

OEB File Number: EB-2025-0093

Please find attached OEB staff's submission in the above referenced proceeding, pursuant to Procedural Order No. 1.

Yours truly,

Original Signed By

Abla Nur Generation & Transmission

Encl.

cc: All parties in EB-2025-0093



ONTARIO ENERGY BOARD

OEB Staff Submission

Hydro One Networks, Inc.

St. Clair Project Expropriation Application

EB-2025-0093

July 25, 2025

Overview of Staff Submission

For the reasons set out below, Ontario Energy Board (OEB) staff submits that the requested authority to expropriate interests in the subject lands is in the public interest and should be granted by the OEB.

This submission begins with a background on the application and proceeding to date, the scope of the OEB's jurisdiction in an expropriation application, and is followed by OEB staff's submissions on each of the issues approved in the Decision on Issues List. OEB staff has also proposed draft conditions in Appendix A which, if accepted by the OEB, should be attached to its approval of authority to expropriate.

Background

On April 4, 2025, Hydro One Networks, Inc. (Hydro One) applied to the OEB under s. 99 of the Ontario Energy Board Act, 1998 (OEB Act) for an order granting authority to expropriate permanent corridor easements in 34 parcels of land to construct a 64-kilometer 230 kV transmission line in southwestern Ontario in the Municipality of Chatham-Kent and Lambton County near the communities of Chatham-Kent and St. Clair. The line will run from the existing Lambton Transmission Station and terminate at Chatham Switching Station (St. Clair Project). Construction of the St. Clair Project was approved by the OEB on December 10, 2024 pursuant to section 92 of the OEB Act in a leave to construct proceeding.²

On April 22, 2025, Hydro One submitted an updated application, removing properties for which expropriation relief was no longer required due to the successful completion of several voluntary agreements since the original filing. On May 23, 2025, Hydro One further revised its application after reaching additional voluntary agreements. As of the May 23 update, Hydro One is now seeking expropriation relief for only the remaining five properties identified in the updated application.³

<u>Leave to Construct – Hydro One's St. Clair Project Approval</u>

Hydro One applied on May 28, 2024, under section 92 of the OEB Act for leave to construct the St. Clair Project. Hydro One also applied under section 97 for approval of the forms of land use agreements offered or to be offered to affected landowners.

¹ EB-2025-0093, Decision on Issues List, June 16, 2025

² EB-2024-0155 Decision and Order December 10, 2024

³ Hydro One St Clair Expropriation Updated Application, May 23, 2025

The St. Clair transmission line was designated a priority transmission project under section 96.1 of the Ontario Energy Board Act, 1998 by Order in Council 875/2022 dated March 31, 2022.⁴ In accordance with section 96.1(2) of the OEB Act, the OEB is required to accept that construction of the project is needed. The Minister of Energy issued a directive requiring the OEB to amend Hydro One's electricity transmission license to develop and seek approval of the St. Clair Project, including any associated station facility expansions or upgrades required at the terminal stations.⁵

The St. Clair Project was identified as necessary by the Independent Electricity System Operator to address the need for increased transmission supply capacity in the West of London area by 2028.⁶ The proposed in-service date for the project is December 2028, and Hydro One has confirmed that engagement with indigenous communities and economic participation negotiations are ongoing, with a goal of shared ownership through a limited partnership once finalized.

On December 10, 2024, the OEB issued its decision on the leave to construct application as follows:

- The OEB granted leave to construct approval to Hydro One for the St. Clair Project. The OEB found that the St. Clair Project is in the public interest with respect to prices and the reliability and quality of electricity service.
- The OEB approved the forms of land easement agreements that have been or will be offered by Hydro One to directly affected landowners for the purposes of section 97 of the OEB Act.

Process to Date

The OEB issued its Notice of Hearing (Notice) for this expropriation application on April 24, 2025, and directed Hydro One to serve the Notice, the application and relevant evidence on current registered property owners, encumbrancers and those with any interest in the lands directly affected by the expropriation application.

The only intervenor that requested to participate in this proceeding is Siskinds LLP (the Siskinds Firm Group), representing landowners with property interests in five parcels of land directly impacted by the St. Clair Project. The Siskinds Firm Group was approved as an intervenor and is eligible for cost awards. In its intervention request, the Siskinds Firm Group requested an oral hearing.

The OEB issued Procedural Order No. 1 (PO1), on May 29, 2025, establishing the

⁴ Order in Council 875/2022

⁵ Minister's Directive, Order in Council 875/2022

⁶ EB-2025-0093, Exhibit A, Tab 1, Schedule 1, pg. 2

procedural steps for a written hearing including timelines for interrogatories and for submissions. ⁷

The OEB issued Procedural Order No. 2 on June 10, 2025, inviting written submissions on the draft issues list proposed by OEB staff. ⁸

The OEB issued its Decision on Issues list on June 16, 2025. 9

Both Hydro One and the Siskinds Firm Group filed submissions on the draft Issues List. Hydro One supported the list as proposed by OEB staff, while the Siskinds Firm Group requested the addition of two issues related to minimizing impacts and the appropriateness of the land interests sought. In its Decision on Issues List, the OEB approved the Issues List as filed by staff, determining that the additions proposed by the Siskinds Firm Group were already covered within the existing issues.

The Siskinds Firm Group and OEB staff filed interrogatories on June 27, 2025. Hydro One submitted its responses to the interrogatories on July 11, 2025.

OEB's Jurisdiction in Expropriation Applications

The OEB's power to grant an applicant authority to expropriate land is derived from section 99 of the OEB Act and set out in Appendix B to this submission. Under section 99, any person who has been granted leave by the OEB to construct certain 'works' under section 90 (relating to natural gas) or section 92 (relating to electricity) of the OEB Act may apply for authority to expropriate land for such works.¹⁰

Subsection 99(5) of the OEB Act establishes the test for approving an application under section 99 and states that, if the OEB is "of the opinion that the expropriation of the land is in the public interest, it may make an order authorizing the applicant to expropriate the land".

Compensation issues do not fall within the OEB's jurisdiction under section 99 of the OEB Act and are addressed in accordance with the *Expropriations Act, R.S.O. 1990. C. E 26* (Expropriations Act)¹¹ and, if required, are resolved by the Ontario Land Tribunal.¹² If the OEB grants authorization to expropriate land, and Hydro One is not able to reach an agreement with any landowner, the landowner would have to follow the process set

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⁷ EB-2025-0093 – Procedural Order 1, May 29, 2025

⁸ EB-2025-0093 – Procedural Order 2, June 10, 2025

⁹ EB-2025-0093 – Decision on Issues List, June 16, 2025

¹⁰ Section 99 of the OEB Act falls under Part VI of the Act and sets out the requirements for leave to construct, expropriation and related matters. A "work" is defined in this part of the OEB Act as a hydrocarbon line, electricity distribution line, electricity transmission line, interconnection or station ¹¹ Expropriations Act, R.S.O. 1990, c. E.26, s. 13.

¹² This was formerly the role of the Board of Negotiation, which has since been continued (as of 2021) as the Ontario Land Tribunal under section 2 of the *Ontario Land Tribunal Act*, 2021.

out in the Expropriations Act to determine the amount of compensation to be paid.

OEB Staff Submission

OEB staff makes the following submissions on the issues:

Issue 1: is the proposed expropriation in the public interest?

The St. Clair Project is in the public interest

The OEB has determined, through its leave to construct Decision, that the St. Clair Project is in the public interest. ¹³ In accordance with section 96(2) of the OEB Act, this determination considered price, reliability, and quality of electricity service. The expropriations now being sought by Hydro One are directly linked to that approved project and route. ¹⁴

The land interests are necessary to implement the project in a manner that meets public needs for timely, reliable, and cost-effective electricity supply. Hydro One is seeking permanent easement rights over five privately held properties. Hydro One has confirmed that all of these properties are located within the route that was approved in the Leave to Construct decision. Hydro One has requested a right-of-way width of 46 metres which is based on Hydro One's standard design for 230 kV double circuit lines and accounts for safety clearances and applicable standards including CSA, NERC, and IEC. ¹⁵

OEB staff submits that Hydro One has demonstrated attempts to acquire the required interests through voluntary negotiation with each of the affected landowners, all of whom are part of a single ownership group. Hydro One has confirmed that all five properties remain in active negotiation status. ¹⁶ To demonstrate attempts at negotiations, Hydro One also filed a confidential Record of Consultation that documents its efforts to engage with each landowner over the course of the project. ¹⁷ This filing demonstrates that Hydro One has made reasonable efforts to reach negotiated agreements but, due to the absence of resolution to date, requires expropriation relief to proceed without delay.

Conclusion:

OEB staff submits that the proposed expropriations are in the public interest because:

¹³ EB-2024-0155, Decision and Order, December 10, 2024

¹⁴ Staff IR-1a., Exhibit 1, Tab 1, Schedule 1, pg.2

¹⁵ Staff IR-1e., Exhibit 1, Tab 1, Schedule 1, pg. 3

¹⁶ Staff IR-3.a, Exhibit 1, Tab 1, Schedule 3, pg.2

¹⁷ Staff IR-3.a, Attachment 1

- They are required to implement a transmission project that is designated a
 priority transmission project and was found to be in the public interest by the
 OEB in the Leave to Construct decision;
- They involve lands directly aligned with the approved corridor and engineering standards;
- They will help ensure project timelines are met to support reliability and system needs; and
- Hydro One has made good faith efforts to reach negotiated settlements, as evidenced by both interrogatory responses and the Record of Consultation.

Issue 2: has Hydro One requested expropriation of the minimum amount of land needed for the project, and the minimum legal interest required for the land?

Hydro One has requested permanent easement rights of 46 metres in width for each of the five subject properties. Hydro One stated that this width reflects an industry-typical standard for new 230 kV double-circuit transmission lines and is determined based on engineering and safety criteria, including voltage level, conductor type, structure configuration, span length, and vegetation clearance. The width is supported by applicable standards including CSA 22.3 No. 1, CSA 22.3 No. 60826 (IEC 60826), the EPRI AC Transmission Line Reference Book, and NERC FAC-003 vegetation management requirements.¹⁸

While approximately 80% of the St. Clair Project route follows an existing Hydro One transmission corridor, the specific properties subject to this expropriation application are not within that existing corridor. Hydro One confirmed that the requested easements on these five properties are located outside any current Hydro One transmission right-of-way. Hydro One confirmed it holds no legal interest in four of the five properties. One of the properties (CK53) does contain an existing easement, but Hydro One clarified that this easement is for a distribution line and "is unrelated and unimpacted by the Project". ²⁰

Hydro One states that the minimum land rights necessary to implement this Project are based on a collaborative design approach that includes consideration of industry standards and consultation with directly affected landowners through both the Class Environmental Assessment process and through Hydro One's voluntary land rights acquisition program.²¹

Hydro One provided evidence that reducing the right of way width (e.g., to 30 metres)

¹⁸ Staff IR-1e., Exhibit 1, Tab 1, Schedule 1, pg. 3

¹⁹ Staff IR-1e., Exhibit 1, Tab 1, Schedule 1, pg. 3

²⁰ Staff IR-1c., Exhibit 1, Tab 1, Schedule 1, pg. 3

²¹ Staff IR-1e., Exhibit 1, Tab 1, Schedule 1, pg. 3

would necessitate a shorter span between towers, resulting in two additional tower placements across the properties. Hydro One stated that this would reduce arable land, negatively impact agricultural operations, and increase both construction costs by \$1M—\$1.5M and potential injurious affection compensation. Hydro One further stated that landowner feedback emphasized minimizing tower placements to reduce interference with farming activities. Hydro One further stated

Hydro One is seeking only permanent easement interests and has offered each affected landowner the standard form of agreement approved in the leave to construct Decision. No modifications to these forms were requested, and no additional legal rights beyond those necessary to construct, operate, and maintain the line are being sought.²⁴ While the Siskinds Firm Group has raised issues regarding compensation for the land rights, OEB staff notes that such issues are beyond the scope of this proceeding.

OEB staff submits that Hydro One has demonstrated that the expropriation request is limited to the minimum land area and minimum legal interest required for the Project.

Issue 3: what conditions, if any, should be attached to the OEB's Order in this proceeding?

Section 23 of the OEB Act permits the OEB, when making an order, to "impose such conditions as it considers proper." In its interrogatories, OEB staff proposed a series of draft conditions based on precedents from prior expropriation decisions, including the Waasigan Transmission Line Project.²⁵ Hydro One accepted the majority of the proposed conditions with some minor revisions. A summary of Hydro One's responses and OEB staff position is provided below:

Draft Condition 1 – Hydro One proposed amendments

1. Hydro One shall notify the OEB in writing in the event that, after this Decision and Order has been issued, a negotiated settlement is reached and expropriation is no longer necessary. This notice shall be filed with the OEB within ten days of the settlement the sought land rights being registered on title.

Hydro One submitted that the condition require notice to the OEB within ten days of the land rights being registered on title, rather than ten days from the time of settlement. Hydro One states that this avoids administrative burden or potential risks to title registration.

²² Staff IR-1e., Exhibit 1, Tab 1, Schedule 1, pg. 3

²³ Ibid.

²⁴ Staff IR-3b, Exhibit 1, Tab 1, Schedule 3, pg. 1

²⁵ EB-2024-0319, Decision and Order, Schedule B

OEB staff agrees that the proposed revision is reasonable and avoids premature notice before settlement terms are finalized through registration.

<u>Draft Condition 2 – Hydro One proposed amendments</u>

2. Hydro One shall use all reasonable efforts to provide oral and/<u>or</u> written notice to the landowners a minimum of 48 hours prior to the initial entry onto the land.

Hydro One proposed replacing "oral and written notice" with "oral and/or written notice", to reflect landowner preferences for communication format.

OEB staff does not support the substitution of oral notice in place of written notice. While oral notice may be a helpful supplement, it does not create an easily traceable record of communication which limits the ability to demonstrate that reasonable efforts were made to notify landowners of initial entry onto the land. Furthermore, this condition is consistent with a previous OEB expropriation decision Waasigan Phase 1 and OEB staff submit that Hydro One has not adequately demonstrated why a departure from this practice is necessary.

<u>Draft Condition 3 – Hydro One accepted with no amendments</u>

 Hydro One will reasonably attempt to accommodate landowner or tenant property operations when Project construction activities take place, subject to the Project's health, safety and security policies and procedures and the Occupational Health and Safety Act.

Draft Condition 4 – Hydro One accepted with no amendments

4. Hydro One or its agents will consult with the landowner in advance of entry as to the manner in which existing gates / fences / entryways are to be managed while entering property. In the event the landowner cannot be contacted, Hydro One shall ensure that gates / fences / entryways used by Hydro One personnel or its agents are left as found.

<u>Draft Condition 5 – Hydro One proposed amendments</u>

5. Upon providing Hydro One with reasonable prior notice, the landowner(s) and tenant(s) can be present to observe the transmission facilities' construction and associated activities subject to the Project's health, safety and security policies and procedures and the Occupational Health and Safety <u>Act</u>.

Hydro One proposed a minor change to ensure proper reference to the Occupational Health and Safety Act.

OEB staff has no objection to Hydro One's proposed revision.

<u>Draft Condition 6 – Hydro One proposed deletion</u>

6. No later than (2 weeks after decision issued, if expropriation is approved by OEB), Hydro One shall file a summary of the general record keeping requirements it will implement for all project lands, ensuring that the requirements are consistent for land interests acquired through both voluntary agreements and expropriation, excluding any special record keeping requirements that may have been agreed to in an individual agreement.

Hydro One proposed removal of this condition and submitted that it already filed a general recordkeeping summary in the Waasigan proceeding (EB-2024-0319) and states that the same practices will be followed for the St. Clair Project. Hydro One further submits that requiring a duplicate filing would be unnecessary and create an administrative burden, particularly given there are no material differences between the two projects.

OEB staff has no issues with the proposed deletion of Condition 6. Staff originally proposed this condition to ensure consistency in record keeping, however staff acknowledge that a general recordkeeping summary has already been filed in the Waasigan Phase 1 proceeding, which Hydro One has confirmed also apply to all transmission projects.

<u>Draft Condition 7 – Hydro One accepted with no amendments</u>

6. Hydro One shall designate one of its employees as project manager who will be responsible for the fulfillment of these conditions, and shall provide the employee's name and contact information to the OEB and to the landowners and tenants, and shall ensure that this information is clearly posted on Hydro One's construction site office. The project manager will be responsible for the fulfilment of the conditions of approval on the site

Draft Condition 8 – Hydro One accepted with no amendments

7. Hydro One shall furnish the OEB's designated representative with all reasonable assistance for ascertaining whether Hydro One has complied with these conditions of approval.

~All of which is respectfully submitted~

APPENDIX A – Proposed Conditions of Approval

Hydro One Networks, Inc.

St. Clair Project – Expropriation Application
EB-2025-0093

Hydro One Networks, Inc. St. Clair Project – Proposed Conditions of Approval²⁶

- 1. Hydro One shall notify the OEB in writing in the event that, after this Decision and Order has been issued, a negotiated settlement is reached and expropriation is no longer necessary. This notice shall be filed with the OEB within ten days of the sought land rights being registered on title.
- 2. Hydro One shall use all reasonable efforts to provide oral and written notice to the landowners a minimum of 48 hours prior to the initial entry onto the land.
- 3. Hydro One will reasonably attempt to accommodate landowner or tenant property operations when Project construction activities take place, subject to the Project's health, safety and security policies and procedures and the Occupational Health and Safety Act.
- 4. Hydro One or its agents will consult with the landowner in advance of entry as to the manner in which existing gates / fences / entryways are to be managed while entering property. In the event the landowner cannot be contacted, Hydro One shall ensure that gates / fences / entryways used by Hydro One personnel or its agents are left as found.
- 5. Upon providing Hydro One with reasonable prior notice, the landowner(s) and tenant(s) can be present to observe the transmission facilities' construction and associated activities subject to the Project's health, safety and security policies and procedures and the Occupational Health and Safety Act.
- 6. Hydro One shall designate one of its employees as project manager who will be responsible for the fulfillment of these conditions, and shall provide the employee's name and contact information to the OEB and to the landowners and tenants, and shall ensure that this information is clearly posted on Hydro One's construction site office. The project manager will be responsible for the fulfilment of the conditions of approval on the site.
- 7. Hydro One shall furnish the OEB's designated representative with all reasonable assistance for ascertaining whether Hydro One has complied with these conditions of approval.

OEB Staff Submission July 25, 2025

²⁶ With those revisions requested by Hydro One and proposed in OEB staff's submission.

APPENDIX B – Provisions Governing Expropriation (OEB Act, Sections 99-100)

Hydro One Networks, Inc.
St. Clair Project – Expropriation Application
EB-2025-0093

ONTARIO ENERGY BOARD ACT, 1998, SECTIONS 99 AND 100

Expropriation

- **99** (1) The following persons may apply to the Board for authority to expropriate land for a work:
- 1. Any person who has leave under this Part or a predecessor of this Part.
- 2. Any person who intends to construct, expand or reinforce an electricity transmission line or an electricity distribution line or make an interconnection and who is exempted under this Act from the requirement to obtain leave 1998, c. 15, Sched. B, s. 99 (1).

Hearing

(2) The Board shall set a date for the hearing of the application, but the date shall not be earlier than 14 days after the date of the application. 1998, c. 15, Sched. B, s. 99 (2).

Information to be filed

- (3) The applicant shall file with the Board a plan and description of the land required, together with the names of all persons having an apparent interest in the land. 1998, c. 15, Sched. B, s. 99 (3).
- (4) Repealed: 2003, c. 3, s. 67.

Power to make order

(5) If after the hearing the Board is of the opinion that the expropriation of the land is in the public interest, it may make an order authorizing the applicant to expropriate the land. 1998, c. 15, Sched. B, s. 99 (5).

Determination of compensation

100 If compensation for damages is provided for in this Part and is not agreed on, the compensation shall be determined by the Ontario Land Tribunal under the *Expropriations Act* and, for the purpose, sections 26 and 29 of that Act apply with necessary modifications. 2021, c. 4, Sched. 6, s. 73 (2).