

**BY EMAIL AND RESS**

November 21, 2025

Mr. Ritchie Murray  
Acting Registrar  
Ontario Energy Board  
Suite 2700, 2300 Yonge Street  
P.O. Box 2319  
Toronto, ON M4P 1E4

Dear Mr. Murray,

**EB-2023-0319 – Hydro One Networks Inc.'s Northeastern and Eastern Ontario Transmission Line Projects – Bi-annual Reporting for the Period May 1, 2025, to October 31, 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 northeastern and eastern Ontario, jointly referred to as the Northeastern and Eastern Ontario Transmission Line Projects. More specifically, the three attached reports contain details regarding Hydro One's development activities for the new:

- 230 kilovolt ("kV") transmission line, referred to as the North Shore Link Project ("Project 1"), from Mississagi Transformer Station ("TS") to Third Line TS;
- 500 kV transmission line, referred to as the Northeast Power Line Project ("Project 2"), from Mississagi TS to Hanmer TS; and
- 230 kV transmission line, referred to as the Durham Kawartha Power Line Project ("Project 3"), from Dobbin TS to Clarington TS.

These reports cover the reporting period May 1, 2025 to October 31, 2025, consistent with the direction provided by the Ontario Energy Board ("OEB") in its letter dated December 5, 2024.

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

Sincerely,



Pasquale Catalano



**North Shore Link Transmission Line Project**  
(From Mississagi TS to Third Line TS)

Ontario Energy Board Progress Report  
May 1, 2025, to October 31, 2025

## EXECUTIVE SUMMARY

On November 14, 2023<sup>1</sup>, 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 approvals for three new transmission projects located in Northeastern and Eastern Ontario (collectively referred to as the “Projects”) in accordance with the recommendations of the Independent Electricity System Operator (“IESO”) as per the directive approved by the Lieutenant Governor in Council on October 19, 2023, as Order in Council (“OIC”) No. 1532/2023.

Hydro One’s guiding recommendations for the Projects are primarily driven by two IESO bulk planning reports as documented in Hydro One’s letter to the OEB on October 31, 2023<sup>2</sup>.

The line component of each of the Projects is expected to be owned by, and included in the rate base, of new partnership entities that will be licenced separate from Hydro One. The line costs will be included in the Affiliate Transmission Projects Account (“ATP Account”) and will not form part of Hydro One’s rate base. On November 21, 2023<sup>3</sup>, Hydro One notified the OEB that it intends to begin using the ATP Account for tracking the costs of the new projects, in the same manner as those already approved in EB-2021-0169 and EB-2022-0142. The associated station work for the Projects is expected to form part of Hydro One’s future transmission rate base.

On December 5, 2024<sup>4</sup>, 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 for the North Shore Link Project, (or “Project #1”) of the three new transmission projects stemming from the forementioned OIC. The North Shore Link Project is a new 230 kV transmission line spanning from Mississagi Transformer Station to Third Line Transformer Station, including associated station facility expansions or upgrades required at the terminal stations.

Project #1 is in the development stage and is being monitored for risks. The IESO has completed the System Impact Assessment (“SIA”) with no addition to scope or changes to the timing of needs. The major development phase risks being managed include the risk of delays in regulatory approvals and the acquisition of new easements required for the Project. Hydro One is continuing working with regulators, municipalities, Indigenous communities, and landowners to manage these risks.

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<sup>1</sup> EB-2023-0319 OEB’s Decision and Order on Hydro One’s Tx Licence, dated November 14, 2023: <https://www.rds.oeb.ca/CMWebDrawer/Record/822747/File/document>

<sup>2</sup> EB-2023-0319 Hydro One’s Letter to the OEB, dated October 31, 2024: <https://www.rds.oeb.ca/CMWebDrawer/Record/870805/File/document>

<sup>3</sup> EB-2023-0319 Hydro One’s ATP Account Notification Letter to the OEB, dated November 21, 2023: <https://www.rds.oeb.ca/CMWebDrawer/Record/823665/File/document>

<sup>4</sup> EB-2023-0319 OEB’s Letter to Hydro One on Reporting Requirements, dated December 5, 2024: <https://www.rds.oeb.ca/CMWebDrawer/Record/874735/File/document>

## PROJECT SUMMARY TABLE

For ease of reference, and comparison to other Hydro One projects being undertaken as a result of an Order-in-Council, Table 1 provides a summary of Project #1. A map depicting the geographic location of Project #1 can be found at Attachment 1 to this document.

**Table 1 - Summary of Project #1 – North Shore Link**

Status	Line Name	Voltage	Length	Circuit Type	Completion	Project Stage	Total Spent to Date
<b>To Be Developed and Prioritized for Construction</b>	North Shore Link Project	230 kV	Approx. 110 km	Double	2029	Under development	\$16.2 M

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## BACKGROUND

On October 23, 2023<sup>5</sup>, the Minister of Energy issued a directive (“ 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 all necessary approvals for three transmission line projects located in Northeastern and Eastern Ontario (collectively referred to as “the Projects”), that were approved by the Lieutenant Governor in Council on October 19, 2023, as Order in Council No. 1532/2023<sup>6</sup>. The Projects are as follows:

- **Project #1 (known as North Shore Link Project)** - A new 230 kilovolt (kV) transmission line from Mississagi Transformer Station to Third Line Transformer Station, including associated station facility expansions or upgrades required at the terminal stations; and
- **Project #2 (known as Northeast Power Line Project)** - A new 500 kV transmission line from Mississagi Transformer Station to Hanmer Transformer Station, including associated station facility expansions or upgrades required at the terminal stations; and
- **Project #3 (known as Durham Kawartha Power Line Project)** - A new 230 kV transmission line from Dobbin Transformer Station to either Cherrywood Transformer Station or Clarington Transformer Station, including associated station facility expansions or upgrades required at the terminal stations.

The Order in Council 1532/2023 accompanying the Directive states that expansion of Ontario’s transmission system is critical to provide a reliable and adequate supply of electricity to Northeastern and Eastern Ontario to support economic growth and electrification initiatives in the region. As such, the Projects have been declared to be needed as **priority projects** pursuant to section 96.1 of the OEB Act in Order in Council No. 1531/2023 dated October 19, 2023<sup>7</sup>.

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.

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<sup>5</sup> Minister of Energy’s Letter to OEB, dated October 23, 2023: <https://www.oeb.ca/sites/default/files/letter-from-ministry-20231023.pdf>

<sup>6</sup> Order in Council No. 1532/2023 and Minister’s Directive, dated October 19, 2023: <https://www.oeb.ca/sites/default/files/Order-in-Council-Directive-hydro-one-amendment-20231019.pdf>

<sup>7</sup> Order in Council No. 1531/2023, dated October 19, 2023: <https://www.oeb.ca/sites/default/files/Priority-Order-20231019.pdf>

On October 31, 2024<sup>8</sup>, Hydro One provided the OEB with the IESO's guiding recommendations for the Projects in the Northeastern and Eastern Ontario Area. The recommendations are primarily driven by two IESO bulk planning reports:

1. [Need for Northeast Bulk System Reinforcement](#) (October 2022)
2. [Gatineau Corridor End-of-Life Study \(December 2022\)](#)

These IESO reports affirmed the Projects' need and identified the scope and timing of each. Subsequent to these reports, the IESO provided Hydro One further direction in a letter dated March 8, 2024, regarding additional reactive facilities that will support voltage requirements in the northeast, as they pertain to and support the project's outlined in the Northeast Bulk System Reinforcement Report (including Projects #1 and #2) and gave recommendations regarding the required in service date of those facilities. Similarly for Project #3, Hydro One received a Memorandum from the IESO, dated December 8, 2023, regarding observations on new and modified alternative route options to meet the supply capacity needs.

In a letter dated December 5, 2024, the OEB requested that Hydro One prepare semi-annual reports to the OEB that provide 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 first report for the Projects was requested to be filed by January 31, 2025, with all subsequent bi-annual reporting to cover the periods 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 development period reporting for the North Shore Link Project, Project #1 of the three new transmission projects (hereafter, "Project" shall refer to the North Shore Link Project). Reporting for the other two new transmission projects (Projects #2 and #3) are the subject of separate bi-annual reports that will be filed with the OEB in conjunction with this report.

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<sup>8</sup> EB-2023-0319 Hydro One's Tx Recommendations Letter to the OEB, dated October 31, 2024: <https://www.rds.oeb.ca/CMWebDrawer/Record/870805/File/document>

## **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 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 transmission line portion of the Project is expected to be owned by a new licenced transmitter partnership. On November 21, 2023<sup>9</sup>, Hydro One notified the OEB that it intends to begin using the OEB-approved ATP Account for tracking the line costs of the Projects, in the same manner as those already approved in EB-2021-0169 and EB-2022-0142, such that line costs included in the ATP Account for the 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.

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<sup>9</sup> EB-2023-0319 Hydro One's ATP Account Notification Letter to the OEB, dated November 21, 2023: <https://www.rds.oeb.ca/CMWebDrawer/Record/823665/File/document>

## PROJECT REPORT

### Project #1 – North Shore Link

#### OVERALL PROGRESS

In the IESO's "*Need for Northeast Bulk System Reinforcement*" report issued in October 2022, the IESO identified a need for a new 230 kV double-circuit transmission line from Mississagi TS to Third Line TS with a planned in-service of 2029. The Government declared this new transmission line a priority project, and designated Hydro One as the transmitter. The Government also directed the OEB to amend Hydro One's electricity transmission licence to require Hydro One to develop and seek all necessary approvals for this Project.

Hydro One began development work in April 2023 to provide the IESO support and necessary data, as well as to initiate engagement with First Nations and other impacted stakeholders. Hydro One continues to proceed with development work on this Project, specifically advancing environmental approvals and consultation, and engineering and design activities. The following summarises the work undertaken within the reporting period.

#### Environmental Approvals and Consultation

Hydro One continued environmental field studies and consultation activities, as required under the Class EA. Hydro One continues its preparation of the Draft Environmental Study Report ("ESR") which once completed will be available for a public comment period. The draft ESR is expected to be completed in Q2 2026.

Results from environmental field surveys conducted during the 2024 and 2025 field seasons have been summarized and used to inform the evaluation of the Project's preferred route, which was selected in Summer 2025 and is currently being finalized with refinements based on input gathered throughout the engagement process. The preferred route for the Project is provided at Attachment 1.

Summary reports have been shared with Indigenous communities. Indigenous monitors regularly participated in the 2024 and 2025 natural heritage field work. The Archaeological Assessment draft reports have also been shared with the Indigenous communities for review and input. The Project team worked closely with the Indigenous communities to encourage their involvement during Project planning and ensure there are opportunities to share Indigenous knowledge.

Ongoing consultations with Indigenous communities will continue throughout the development period. Hydro One is working closely with nine First Nation ("FN") communities who are anticipated to be future FN Equity Partners, as part of Hydro One's FN Equity Model, ensuring their involvement during Project planning and opportunities to share Indigenous knowledge throughout the Project's development and construction period. Capacity, in the form of funding

and training, is being provided to these communities by Hydro One to ensure opportunities for participation and consultation in the Project. One of the anticipated future FN partner communities departed from the existing FN collective previously formed (WEI), which was associated with limited engagement throughout the reporting period. This has contributed to an increased risk of objections to the Project. Consultation and engagement is also ongoing with government agencies, the public and other interested parties and stakeholders. Key engagement activities during this reporting period included:

- Spring Gathering and Kick-off to the 2025 Field Season on April 29-30, 2025.
- FN Partner Workshop #3 on June 3, 2025, to present the results of the route evaluation process.
- Agency TAC Workshop #3 on June 5, 2025, with technical representatives from key stakeholder groups, to present the results of the route evaluation process.
- Public Community Open House sessions held on July 22, 23 and 24, 2025 to announce the preferred route.
- Community Open House at Whitefish River First Nation on October 7, 2025.
- Community Open House at Wahnapiatae First Nation on October 8, 2025.
- Community Open House at Batchewana (Obadjiwan) First Nation on September 15, 2025.
- Community Open House at Batchewana (Goulais) First Nation on September 16, 2025.
- Community Open House at Batchewana (Rankin) First Nation on September 17, 2025.
- Community Open House at Thessalon First Nation on September 18, 2025.
- Community Open House at Sagamok First Nation on September 29, 2025.
- Community Open House at Serpent River First Nation on September 22, 2025.
- Community Open House at Atikameksheng Anishnawbek on May 15, 2025 and October 9, 2025.

## **Engineering and Design**

To support the development of the lines scope of the Project, Hydro One is utilizing two Engineering Procurement and Construction (“EPC”) contractors under an Early Contractor Involvement (“ECI”) procurement model. The ECI model will:

- Provide necessary design and engineering information into the EA and Hydro One’s overall development of the Project.
- Advance preliminary identification of Project-specific Indigenous and non-Indigenous employment, procurement and training opportunities and requirements through continuous meetings with Indigenous communities and organizations; and

- Identify and implement opportunities for innovation in design, materials, procurement and construction early in the Project lifecycle to enable the development of an optimal project delivery solution to mitigate risk. This procurement model will enable the ECI-EPC contractor to thoroughly understand the risks, costs, and challenges associated with the Project, thus giving greater certainty to Hydro One on the overall schedule and cost.

Aecon and Valard have been retained by Hydro One as the Project's two ECIs and meet regularly with Hydro One and Owner's Engineer ("OE") to advance Project development and design. The Project's Lines EPC Request for Proposal ("RFP") package is being developed and is anticipated for release in early 2026.

Preliminary engineering designs and studies have been completed for the expansion of two of Hydro One's transmission stations ("TS"), Mississagi TS and Third Line TS, and two new Static Synchronous Compensators ("STATCOMs") that will be situated at Mississagi TS and Algoma TS respectively. Feasibility studies and the Project design scope package for the stations have also been completed. The technical requirements package was developed and included in the Stations EPC RFP issued in May 2025. Bid submissions were received by Hydro One in August 2025, and the technical review of those is underway, with a focus on identifying opportunities for innovation and cost savings.

## **COSTS**

Consistent with the Order-in-Council for the Project, and the timing requirements for its delivery, Hydro One is continuing development work for the Project as indicated by the expenditures to date shown in Table 2.

This Project's development budget increased, compared to the prior period's Report, to release additional scope for required development studies and activities such as legally required archaeology as the Project continues to develop as per Hydro One's Capital Delivery Model. These activities are now executed earlier in the development cycles to reduce cost risk and improve schedule certainty at the execution stage. These activities do not represent an increase in the total cost to deliver the Project.

During this reporting period, the Project development scope and requirements matured such that the extent of these activities could be defined and their costs estimated.

**Table 2 - Project Development Costs – Project #1 – North Shore Link Project**

	Actuals Spent		Forecast Budget Variance						
	A	B	C	D	E	F	G	H	I
	Spent this Reporting Period <sup>10</sup> (Millions)	Total Spent to Date (Millions)	Budget as per Last Report (Millions)	Forecast Budget Change from Last Report (Millions)	Forecast Budget Change from Last Report <sup>11</sup> (%)	Revised Total Budget <sup>12</sup> (Millions)	G = F - B Budget Remaining (Millions)	H = G/F * 100 Budget Remaining (%)	Reasons for Change
<b>Real Estate</b>	\$1.3	\$1.5	\$2.8	\$2.9	101.6%	\$5.7	\$4.2	73.6%	Project Development Maturity
<b>Engineering and Design</b>	\$3.1	\$5.5	\$5.6	\$7.0	75.3%	\$12.6	\$7.1	56.6%	Project Development Maturity
<b>Environmental Approvals</b>	\$1.4	\$2.8	\$10.3	\$2	19.6%	\$12.3	\$9.5	77.4%	Project Development Maturity
<b>Indigenous Consultation</b>	\$1.1	\$2.9	\$14.3	\$2.1	14.5%	\$16.4	\$13.6	82.6%	Project Development Maturity
<b>Project Management</b>	\$0.9	\$2.7	\$5.0	\$7.6	151.6%	\$12.6	\$9.9	78.8%	Project Development Maturity
<b>Contingency</b>	\$0.0	\$0.0	\$6.6	\$6.4	95.9%	\$13.0	\$13.0	100.0%	Project Development Maturity
<b>Other Consultation</b>	\$0.0	\$0.1	\$3.1	\$-0.1	-2.2%	\$3.0	\$2.9	95.4%	Project Development Maturity
<b>Interest and Overhead</b>	\$0.4	\$0.8	\$4.9	\$1.7	33.9%	\$6.6	\$5.8	88.3%	Project Development Maturity
<b>Total<sup>13</sup></b>	<b>\$8.3</b>	<b>\$16.2</b>	<b>\$52.7</b>	<b>\$29.6</b>	<b>56.1%</b>	<b>\$82.3</b>	<b>\$66.0</b>	<b>80.3%</b>	Project Development Maturity

<sup>10</sup> Actual Spent amounts for this reporting period shown in *Column A* reflects the OEB’s direction that the report should cover the period from May 1, 2025 to October 31, 2025.

<sup>11</sup> Forecast Budget Change from Last Report shown in *Column E* represents *Column D* divided by *Column C* multiplied by 100.

<sup>12</sup> Budget amounts shown in *Column F* have been revised to reflect total project development budget and clarity on preferred route.

<sup>13</sup> Total estimate values represented with one decimal place have been rounded.

## PROJECT DEVELOPMENT WORKSCHEDULE

In the IESO’s “*Need for Northeast Bulk System Reinforcement*” report issued in October 2022, the IESO identified a need for a new 230 kV double-circuit transmission line from Mississagi TS to Third Line TS with a planned in-service date of 2029. Hydro One’s development schedule anticipates filing a leave to construct application in Q4 2026, allowing sufficient time to construct and in-service the line by the defined need date. Table 3 below presents the key milestones involved in completing the development work. Additionally, Hydro One notes that Table 3 has been revised to only reflect Project development work milestones in accordance with the OEB’s reporting requirements.

**Table 3 - Project Development Work Schedule – Project #1 – North Shore Link Project**

Milestones	Schedule	Completed	Adjusted To
Notice of Commencement of Class EA	Mid 2024	July 22, 2024	-
Data collection, and development of route alternatives	Early - Mid 2024	Route Alternatives shared publicly in NoC of Class EA in July 2024.	-
Community Open House #1	Late 2024	September 17-19, 2024	-
Indigenous Community Open House #1	Late 2024	Multiple dates throughout Sept – Nov 2024	-
Indigenous Community Open House #2	Early 2025	Multiple dates throughout Feb – May 2025	-
Consultation and data collection in support of the EA	2024-2026	Ongoing	-
Selection of preferred route	Mid 2025	June 27, 2025	-
Community Open House #2 (formerly #3)	Mid 2025	June 22-24, 2025	-
Indigenous Community Open House #3	Mid 2025	Multiple dates throughout Sept – Nov 2025	-
Publish the draft Environmental Study Report (ESR) for public review	Mid 2026	-	-
Submit Final ESR and complete the Class EA process	Late 2026	-	-
Leave to Construct (Section 92) Application Submission	Late 2026	-	-

## **RISKS AND ISSUES LOG**

The Project is being monitored continually for risks and risk mitigations will be implemented as necessary. Risks are formally re-evaluated on a recurring basis. Risks for further stages of the Project development phase will be identified as the Project progresses. 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. A list of major development risks actively being managed is presented below.

- There is a risk of Project delays and increased costs due to extended timelines for consultation during the Class EA process. To mitigate this risk, Hydro One is proactively engaging with future anticipated FN Equity Partners and other stakeholders to align on priorities and ensure these activities are integrated into the EA schedule. It is noted that this risk has increased since the last reporting period.
- There is a risk of Project delays due to potential section 16 of the Environmental Assessment Act order requests from Indigenous communities. To mitigate this risk, Hydro One is actively engaging with Indigenous communities to proactively address any concerns.
- There is a risk of Project delays and increased cost due to private landowner concerns over the selected preferred route. To mitigate this risk, Hydro One is actively working with impacted landowners to address their concerns.

## **PROJECT SCOPE AND TIMING RECOMMENDATIONS PROVIDED BY THE IESO**

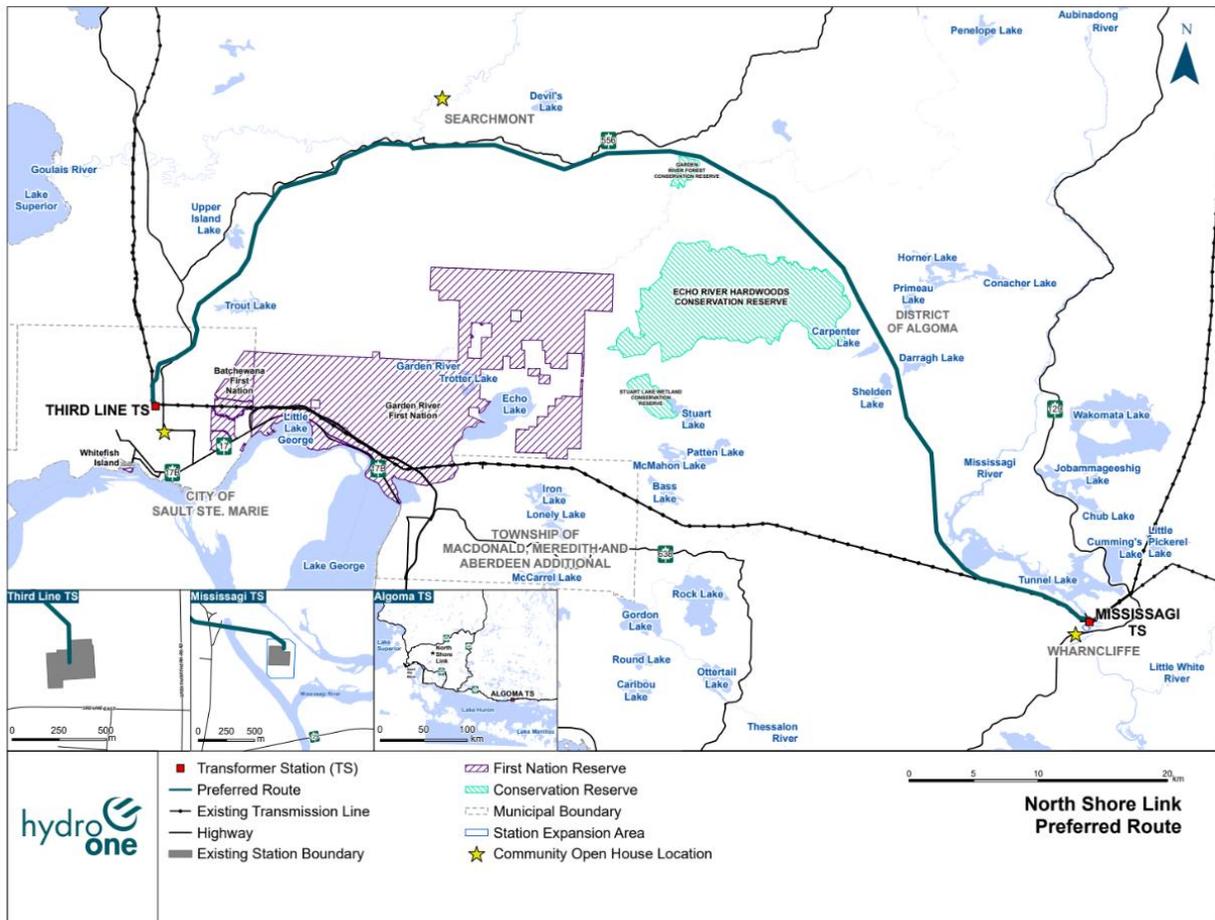
The IESO has completed the SIA with no addition to scope or changes to the timing of needs provided in the "*Need for Northeast Bulk System Reinforcement*" report. Should the IESO provide updates to the scope and/or timing recommendations to Hydro One for the North Shore Link Project, those details will be provided to the OEB and summarised 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.

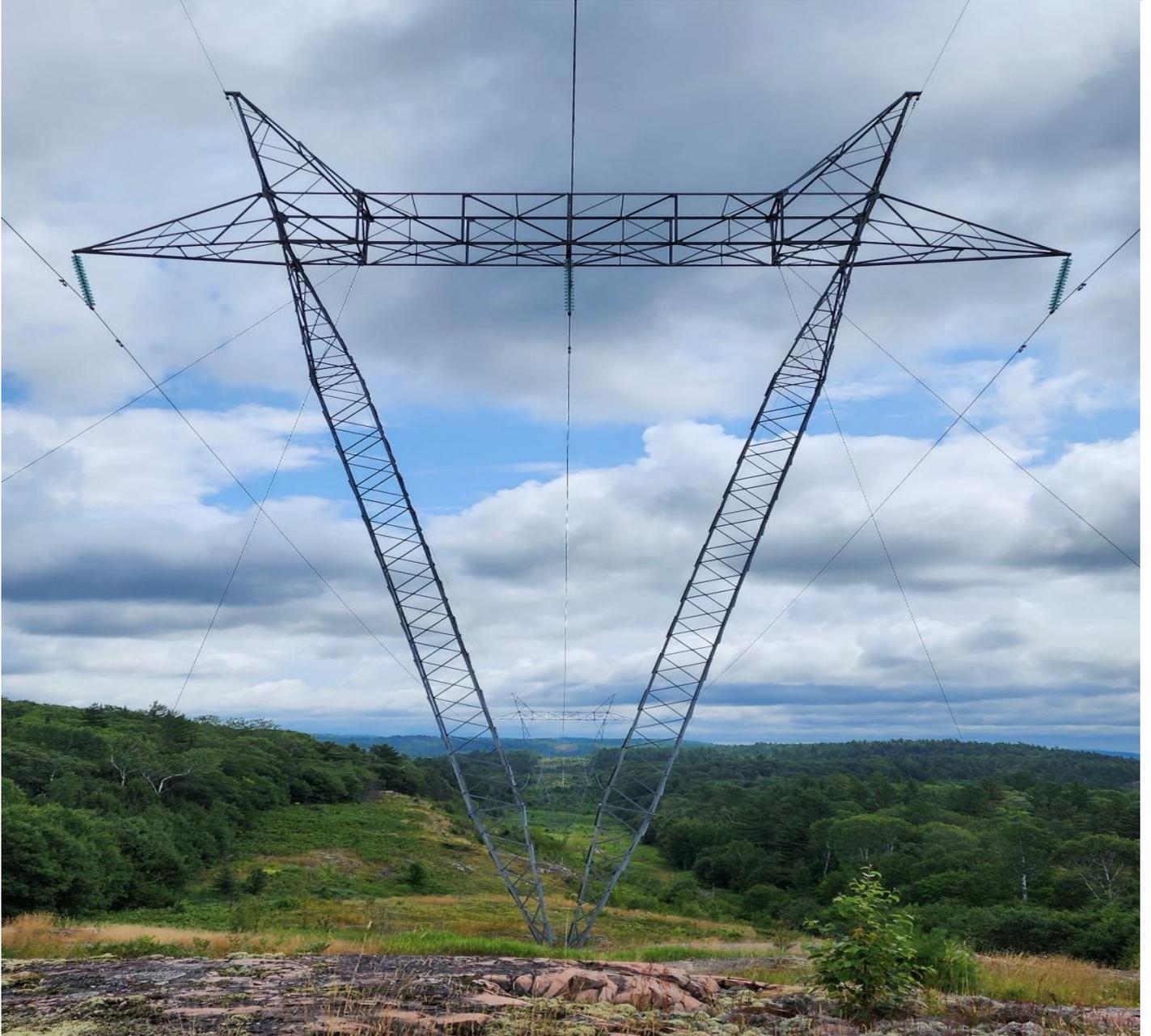
Updates: During the reporting period the IESO completed the SIA and provided it to Hydro One. It was issued with no addition to the Project's scope or changes regarding the in-service need date.

## ATTACHMENT 1

### Map of the New Transmission Line in Northeastern Ontario

A map of the North Shore Link (Project #1) in Northeastern Ontario, with preferred route spanning between Mississagi TS and Third Line TS.





**Northeast Power Line Transmission Line Project**  
(Hanmer TS to Mississagi TS)

Ontario Energy Board Progress Report

May 1, 2025 to October 31, 2025

## EXECUTIVE SUMMARY

On November 14, 2023<sup>1</sup>, 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 approvals for three new transmission projects located in Northeastern and Eastern Ontario (collectively referred to as the “Projects”) in accordance with the recommendations of the Independent Electricity System Operator (“IESO”) as per the directive approved by the Lieutenant Governor in Council on October 19, 2023, as Order-in-Council (“OIC”) No. 1532/2023.

Hydro One’s guiding recommendations for the Projects are primarily driven by two IESO bulk planning reports as documented in Hydro One’s letter to the OEB on October 31, 2023<sup>2</sup>.

The line component of each of the Projects is expected to be owned by, and included in the rate base, of new partnership entities that will be licenced separate from Hydro One. The line costs will be included in the Affiliate Transmission Projects Account (“ATP Account”) and will not form part of Hydro One’s rate base. On November 21, 2023<sup>3</sup>, Hydro One notified the OEB that it intends to begin using the ATP Account for tracking the costs of the new projects, in the same manner as those already approved in EB-2021-0169 and EB-2022-0142. The associated station work for the Projects is expected to form part of Hydro One’s future transmission rate base.

On December 5, 2024<sup>4</sup>, 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 for the Northeast Power Line Project, (or “Project #2”) of the three new transmission projects stemming from the aforementioned OIC. The Northeast Power Line Project is a new 500 kV transmission line from Mississagi Transformer Station to Hanmer Transformer Station, 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. The IESO has completed the System Impact Assessment (“SIA”) with no addition to scope or changes to the timing of the need for Project #2. The major development phase risks being managed include the risk of delay and increase cost for extended timelines for Indigenous participation in the Environmental Process and amount of archaeological assessments along the corridor. Hydro One is working with regulators, municipalities, and Indigenous communities to manage these risks.

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<sup>1</sup> EB-2023-0319 OEB’s Decision and Order on Hydro One’s Tx Licence, dated November 14, 2023:  
<https://www.rds.oeb.ca/CMWebDrawer/Record/822747/File/document>

<sup>2</sup> EB-2023-0319 Hydro One’s Letter to the OEB, dated October 31, 2024:  
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<sup>3</sup> EB-2023-0319 Hydro One’s ATP Account Notification Letter to the OEB, dated November 21, 2023:  
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<https://www.rds.oeb.ca/CMWebDrawer/Record/874735/File/document>

## Project Summary Table

For ease of reference, and comparison to other Hydro One Projects being undertaken as a result of an Order-in-Council, Table 1 provides a summary of Project #2. A map depicting the geographic location of Project #2 can be found at Attachment 1 to this document.

**Table 1 - Summary of Project #2 – Northeast Power Line Project**

Status	Line Name	Voltage	Length	Circuit Type	Completion	Project Stage	Total Spent to Date
To Be Developed and Prioritized for Construction	Northeast Power Line Project	500 kV	Approx. 205 km	Single	2029	Under development	\$18.1M

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## BACKGROUND

On October 23, 2023<sup>5</sup>, the Minister of Energy issued a directive (“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 all necessary approvals for three transmission line projects located in Northeastern and Eastern Ontario (collectively referred to as the Projects), that were approved by the Lieutenant Governor in Council on October 19, 2023, as Order in Council No. 1532/2023<sup>6</sup>. The Projects are as follows:

- **Project #1 (known as North Shore Link Project)** - A new 230 kilovolt (kV) transmission line from Mississagi Transformer Station to Third Line Transformer Station, including associated station facility expansions or upgrades required at the terminal stations; and
- **Project #2 (known as Northeast Power Line Project)** - A new 500 kV transmission line from Mississagi Transformer Station to Hanmer Transformer Station, including associated station facility expansions or upgrades required at the terminal stations; and
- **Project #3 (known as Durham Kawartha Power Line Project)** - A new 230 kV transmission line from Dobbin Transformer Station to either Cherrywood Transformer Station or Clarington Transformer Station, including associated station facility expansions or upgrades required at the terminal stations.

The Order in Council 1532/2023 accompanying the Directive states that expansion of Ontario’s transmission system is critical to provide a reliable and adequate supply of electricity to Northeastern and Eastern Ontario to support economic growth and electrification initiatives in the region. As such, the Projects have been declared to be needed as **priority projects** pursuant to section 96.1 of the OEB Act in Order in Council No. 1531/2023 dated October 19, 2023<sup>7</sup>.

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.

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<sup>5</sup> Minister of Energy’s Letter to OEB, dated October 23, 2023:

<https://www.oeb.ca/sites/default/files/letter-from-ministry-20231023.pdf>

<sup>6</sup> Order in Council No. 1532/2023 and Minister’s Directive, dated October 19, 2023:

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<sup>7</sup> Order in Council No. 1531/2023, dated October 19, 2023: <https://www.oeb.ca/sites/default/files/Priority-Order-20231019.pdf>

On October 31, 2024<sup>8</sup>, Hydro One provided the OEB with the IESO's guiding recommendations for the Projects in the Northeastern and Eastern Ontario area. The recommendations are primarily driven by two IESO bulk planning reports:

1. [Need for Northeast Bulk System Reinforcement](#) (October 2022)
2. [Gatineau Corridor End-of-Life Study](#) (December 2022)

These IESO reports affirmed the Projects' need and identified the scope and timing of each. Subsequent to these reports, the IESO provided Hydro One further direction in a letter dated March 8, 2024, regarding additional reactive facilities that will support voltage requirements in the northeast, as they pertain to and support the project's outlined in the Northeast Bulk System Reinforcement Report (including Projects #1 and #2) and gave recommendations regarding the required in service date of those facilities. Similarly for Project #3, Hydro One received a Memorandum from the IESO, dated December 8, 2023, regarding observations on new and modified alternative route options to meet the supply capacity needs.

In a letter dated December 5, 2024, 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 first report for the Projects was requested to be filed on January 31, 2025, with all subsequent bi-annual reporting to cover the periods 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 development period reporting for the Northeast Power Line Project, Project #2 of the three new transmission projects (hereafter, "Project" shall refer to the Northeast Power Line Project). Reporting for the other two new transmission projects (Projects #1 and #3) are the subject of separate bi-annual reports, that will be filed with the OEB in conjunction with this report.

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<sup>8</sup> EB-2023-0319 Hydro One's Tx Recommendations Letter to the OEB, dated October 31, 2024: <https://www.rds.oeb.ca/CMWebDrawer/Record/870805/File/document>

## 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 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 transmission line portion of the Projects is expected to be owned by a new licenced transmitter partnership. On November 21, 2023<sup>9</sup>, Hydro One notified the OEB that it intends to begin using the OEB-approved ATP Account for tracking the line costs of the Projects, in the same manner as those already approved in EB-2021-0169 and EB-2022-0142 such that line 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.

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<sup>9</sup> EB-2023-0319 Hydro One's ATP Account Notification Letter to the OEB, dated November 21, 2023:

## PROJECT REPORT

### Project #2 – Northeast Power Line

#### OVERALL PROGRESS

In the IESO's "*Need for Northeast Bulk System Reinforcement*" report issued in October 2022, the IESO identified a need for a new 500 kV single-circuit transmission line from Mississagi TS to Hanmer TS with a planned in-service of 2029. The Government declared this new transmission line a priority project, and designated Hydro One as the transmitter. The Government also directed the OEB to amend Hydro One's electricity transmission licence to require Hydro One to develop and seek all necessary approvals for this Project.

Hydro One began development work in April 2023 to provide the IESO support and necessary data, as well as to initiate engagement with First Nations and other impacted stakeholders. Hydro One continues to proceed with development work on this Project, specifically advancing environmental approvals and consultation, and engineering and design activities. The following summarises the work undertaken within the reporting period.

#### Environmental Approvals and Consultation

An Individual Environmental Assessment ("EA") for this Project was approved in 1984, covering two transmission lines between Hanmer TS and Mississagi TS. Following this approval, property rights for both lines were acquired. However, between the 1984 EA approval and the subsequent construction of the existing line facilities, it was determined that electricity demand would materialize later than initially anticipated. As a result, only the first line was constructed.

Recently, on October 22, 2025, the Ministry of the Environment, Conservation and Parks ("MECP" or "Ministry") published a new, Project-specific regulation, allowing the Project to proceed upon fulfillment of any regulatory conditions, which includes completion of the Project's Environmental Report (referred to herein as the "Environmental Process") and publishing the report for a minimum 45-day public review period.

During this reporting period (May 1, 2025, to October 31, 2025) Hydro One continued environmental field studies and consultation activities, as required by the above-mentioned Environmental Process. The Environmental Process is anticipated to continue through early 2026, culminating in a draft Environmental Report ("ER") that will summarize the efforts completed as part of the Environmental Process and thereafter will be available for a public comment.

Results from environmental and archaeological surveys conducted during the 2024 and 2025 field seasons have been summarized and shared with Indigenous communities. Indigenous monitors regularly participated in the 2024 and 2025 natural heritage and archaeological assessment field

work. The Stage 1 Archaeological Assessment (“AA”) Report has been accepted by the regulator. Stage 2 AA Report will be submitted to the regulator once all comments from Indigenous communities have been incorporated. In the near-term, efforts are focused on planning for the 2026 field season, which will include further archaeological assessment work.

Furthermore, Hydro One has been engaging and consulting with proximate Indigenous communities and stakeholders. Early engagement for the Project commenced in January 2023, prior to the Project Announcement of the Environmental Process in March 2024. Consultations continue to occur throughout the development period and will be ongoing. Hydro One is working closely with the nine First Nation (“FN”) communities who are anticipated to be future FN Equity Partners, as part of Hydro One’s FN Equity Model, ensuring their involvement during Project planning and to ensure there are opportunities to share Indigenous knowledge throughout the Project’s development and construction period. Capacity, in the form of funding and training, is being provided to these communities by Hydro One to ensure opportunities for participation and consultation in the Project.

Consultation and engagement are also ongoing with government agencies, the public and other interested parties. Key engagement activities during this reporting period included:

- Spring Gathering and Kick-off to the 2025 Field Season on April 29-30, 2025
- Indigenous community review of Preliminary Draft Environmental Report in August 2025
- Community Open House at Whitefish River First Nation on October 7, 2025
- Community Open House at Wahnapiatae First Nation on October 8, 2025
- Community Open House at Batchewana (Obadjiwan) First Nation on September 15, 2025
- Community Open House at Batchewana (Goulais) First Nation on September 16, 2025
- Community Open House at Batchewana (Rankin) First Nation on September 17, 2025
- Community Open House at Thessalon First Nation on September 18, 2025
- Community Open House at Sagamok First Nation on September 29, 2025-
- Community Open House at Serpent River First Nation on September 22, 2025
- Community Open House at Atikameksheng Anishnawbek on May 15, 2025 and October 9, 2025.

## Engineering and Design

To support the development of the lines scope of the Project, Hydro One is utilizing two Engineering Procurement and Construction (“EPC”) contractors under an Early Contractor Involvement (“ECI”) procurement model. The ECI model will:

- Provide necessary design and engineering information into the Environmental Process and Hydro One’s overall development of the Project.

- Advance preliminary identification of Project-specific Indigenous and non-Indigenous employment, procurement and training opportunities and requirements through continuing meetings with Indigenous communities and organizations; and
- Identify and implement opportunities for innovation in design, materials, procurement and construction early in the Project, to enable the development of an optimal project delivery solution to mitigate risk. This will enable the ECI-EPC contractor to thoroughly understand the risks, costs, and challenges associated with the Project, thus giving greater certainty to Hydro One on the overall schedule and cost.

Aecon and Valard have been retained by Hydro One as the Project's two ECIs and meet regularly with Hydro One and Owner's Engineer ("OE") teams to advance Project development and design. The Project's Lines EPC Request for Proposal ("RFP") package is being developed and is anticipated for release in early 2026.

Preliminary engineering designs and studies have been completed for the expansion of two of Hydro One's transmission stations ("TS"), Hanmer TS and Mississagi TS. Feasibility studies and the Project design scope package for the stations have also been completed. The technical requirements package was developed and included in the Stations EPC RFP issued in May 2025. Bid submissions were received in August 2025, and the technical review is underway, with a focus on identifying opportunities for innovation and cost savings.

## **COSTS**

Consistent with the Order in Council for the Project, and the timing requirements for its delivery, Hydro One is continuing development work for the Project as indicated by the expenditures to date shown in Table 2, below. The costs currently included in the Budget column of Table 2 (Column F) pertain only to the development phase of the Project.

This Project's development budget increased, compared to the prior periods Report, to release additional scope for required development studies and activities such as legally required archaeology as the Project continues to develop as per Hydro One's capital delivery model. These activities are now executed earlier in the development cycles to reduce cost risk and improve schedule certainty at the execution stage. These activities do not represent an increase in the total cost of delivering the Project.

During this reporting period, the Project development scope and requirements matured such that the extent of these activities could be defined and their costs estimated.

**Table 2 - Project Development Costs – Project #2 – Northeast Power Line Project**

	Actuals Spent		Forecast Budget Variance						
	A	B	C	D	E	F	G	H	I
	Spent this Reporting Period <sup>10</sup> (Millions)	Total Spent to Date (Millions)	Budget as per last Report (Millions)	Forecast Budget Change from Last Report (Millions)	Forecast Budget Change from Last Report <sup>11</sup> (%)	Revised Total Budget <sup>12</sup> (Millions)	G = F - B Budget Remaining (Millions)	H = G/F * 100 Budget Remaining (%)	Reasons for Change
<b>Real Estate</b>	\$0.1	\$0.6	\$2.0	\$2.2	106.3%	\$4.2	\$3.6	85.2%	Project Development Maturity
<b>Engineering and Design</b>	\$3.3	\$6.7	\$5.6	\$7.0	123.6%	\$12.6	\$5.9	47.0%	Project Development Maturity
<b>Environmental Approvals</b>	\$1.5	\$3.7	\$12.0	\$12.7	106.0%	\$24.7	\$20.9	84.8%	Project Development Maturity
<b>Indigenous Consultation</b>	\$0.4	\$2.4	\$14.2	\$1.9	13.0%	\$16.1	\$13.7	85.2%	Project Development Maturity
<b>Project Management</b>	\$1.5	\$3.5	\$5.0	\$5.5	109.9%	\$10.4	\$7.0	66.9%	Project Maturity
<b>Contingency</b>	\$0.0	\$0.0	\$6.1	\$6.1	99.3%	\$12.2	\$12.2	100.0%	Project Development Maturity
<b>Other Consultation</b>	\$0.0	\$0.3	\$2.1	\$-0.1	-4.9%	\$2.0	\$1.7	86.8%	Project Development Maturity
<b>Interest and Overhead</b>	\$0.5	\$1.0	\$3.4	\$2.5	71.6%	\$5.9	\$4.9	83.6%	Project Development Maturity
<b>Total<sup>13</sup></b>	<b>\$7.3</b>	<b>\$18.1</b>	<b>\$50.5</b>	<b>\$37.6</b>	<b>74.5%</b>	<b>\$88.1</b>	<b>\$70.0</b>	<b>79.4%</b>	Project Development Maturity

<sup>10</sup> Actual Spent amounts for this reporting period shown in *Column A* reflects the OEB's direction that the report should cover the period from May 1, 2025, to October 31, 2025.

<sup>11</sup> Forecast Budget Change from Last Report shown in *Column E* represents *Column D* divided by *Column C* multiplied by 100.

<sup>12</sup> Budget amounts shown in *Column F* have been revised to reflect total Project development budget after assessing the impact of data from the Project's Environmental process such as additional requirements for field studies, archaeology and Indigenous consultations.

<sup>13</sup> Total estimate values represented with one decimal place have been rounded.

## PROJECT DEVELOPMENT WORK SCHEDULE

In the IESO’s “*Need for Northeast Bulk System Reinforcement*” report issued in October 2022, the IESO identified a need for a new 500 kV single-circuit transmission line from Mississagi TS to Hanmer TS with a planned in-service date of 2029. Hydro One’s development schedule anticipates the completion of all development work by the end of 2026, allowing sufficient time to construct and in-service the line by the defined need date. Table 3 presents the key milestones involved in completing the development work. Additionally, Hydro One notes that Table 3 has been revised to only reflect Project development work milestones in accordance with the OEB’s reporting requirements.

**Table 3 - Project Development Work Schedule – Project #2 – Northeast Power Line Project**

Milestones	Schedule	Completed	Adjusted To
Project Announcement of Environmental Update	Early 2024	March 5, 2024	-
Community Open House #1	Early 2024	March 19-20, 2024, & July 24, 2024	-
Indigenous Community Open House #1	Mid 2024	Multiple dates throughout April – Oct 2024	-
Indigenous Community Open House #2	Mid 2025	Multiple dates throughout May - October 2025	-
Community Open House #2	Late 2025	-	-
Consultation and data collection in support of the Environmental Process	2024-2025	Ongoing	-
Drafting of the Environmental Report and issuance for 45-day review period	Early 2026	Ongoing	-
Leave to Construction (Section 92) Application Submission	Mid -2026	-	-

## RISKS AND ISSUES LOG

The Project is being monitored continually for risks and risk mitigations will be implemented as necessary. Risks are formally re-evaluated on a recurring basis. Risks for further stages of the Project development phase will be identified as the Project progresses. 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. A list of major development risks actively being managed is presented below.

- There is a risk of Project delays and increased costs due to potential extended timeline requests and potential concerns from Indigenous communities through the Environmental Report public review period. To mitigate this risk, Hydro One is engaging with Indigenous communities to proactively address concerns and ensure adequate time is integrated in the Project schedule. It is noted that this risk has increased since the last reporting period.
- There is a risk of Project delays and increased costs due to requests from Indigenous communities for additional archaeological assessments. To mitigate this risk, Hydro One is working closely with Indigenous communities and archaeological advisors to ensure assessments are completed within the Project schedule.

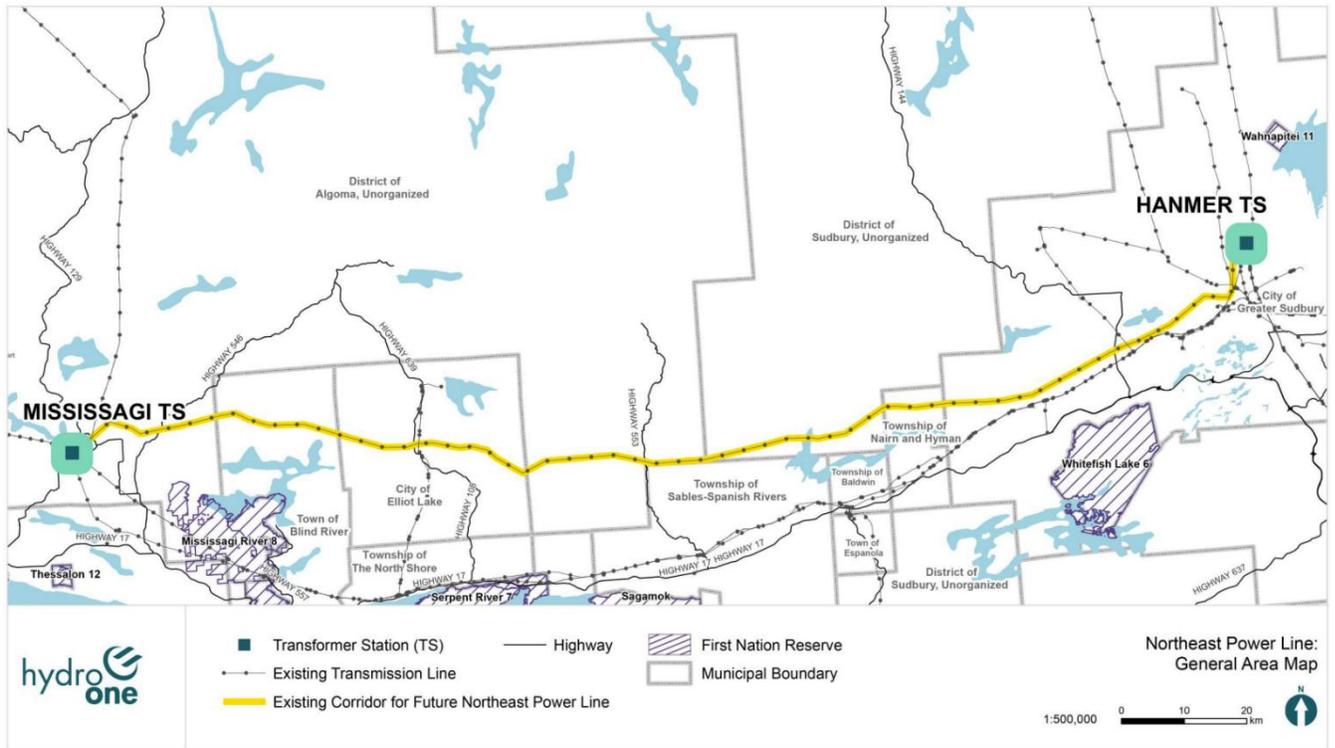
## PROJECT SCOPE AND TIMING RECOMMENDATIONS PROVIDED BY THE IESO

The IESO has completed the SIA with no addition to scope or changes to the timing of needs provided in the "*Need for Northeast Bulk System Reinforcement*" report. Should the IESO provide updates to the scope and/or timing recommendations to Hydro One for the Northeast Power Line 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 updates provided to Hydro One within the semi-annual reporting period to which the report pertains.

**Updates:** During the reporting period the Independent Electricity System Operator completed the SIA for the Project and provided it to Hydro One. It was issued with no addition to the Project's scope or changes regarding the in-service need date.

## ATTACHMENT 1 Map of the New Transmission Line in Northeastern Ontario

A map of the Northeast Power Line Project (Project #2) in Northeastern Ontario, planned to span between Mississagi TS and Hanmer TS.





**Northeastern and Eastern Ontario Transmission Line Projects**  
Durham Kawartha Power Line Project

Ontario Energy Board Progress Report  
May 1, 2025 to October 31, 2025

## EXECUTIVE SUMMARY

On December 5, 2024<sup>1</sup>, the Ontario Energy Board (“OEB”) requested Hydro One prepare semi-annual project update reports detailing the budget, timing and risks associated with the development of the three new transmission line projects located in Northeastern and Eastern Ontario (collectively referred to as “the Projects”), that were approved by the Lieutenant Governor in Council on October 19, 2023, as Order in Council (“OIC”) No. 1532/2023<sup>2</sup>.

This document includes the project reporting details for the period of May 1, 2025 to October 31, 2025 in relation to the Durham Kawartha Power Line (“DKPL”) Project, the third outlined project in that OEB request, described as a new 230 kV transmission line from Dobbin TS to either Cherrywood TS or Clarington TS, including associated station facility expansions or upgrades required at the terminal stations.

For Project #3, the development work related to the environmental assessment and engineering continued to progress during the reporting period. Hydro One has commenced the competitive procurement process to secure a fixed priced engineering, procurement, and construction (“EPC”) contract for the transmission line. Additionally, Hydro One has completed and released the Draft Environmental Study Report (“Draft ESR”) for public review and comment. Indigenous consultations have occurred throughout the development period and continue to be ongoing. The major development risks for Project #3 have been identified and are being managed. These risks include the risk of delays in regulatory approvals and acquisition of new easements required for the Project. Hydro One is continuing working with regulators, municipalities, Indigenous communities, landowners, contractors and suppliers to manage these risks.

### Project Summary Table

For ease of reference, and comparison, Table 1 below provides a summary of the Project details and status. A map of the Project located in Eastern Ontario can be found at Attachment 1 to this document.

**Table 1 - Summary of Project #3 – Durham Kawartha Power Line Project**

Status	Line Name	Voltage	Length	Circuit Type	Completion	Project Stage	Actual Spent in Reporting Period
To Be Developed and Prioritized for Construction	Durham Kawartha Power Line	230 kV	53 km	Double	2029	Under Development	\$8.7M

<sup>1</sup> EB-2023-0319 OEB’s Letter to Hydro One on Reporting Requirements, dated December 5, 2024: <https://www.rds.oeb.ca/CMWebDrawer/Record/874735/File/document>

<sup>2</sup> Order in Council O/C No. 1532/2023 and Minister’s Directive, dated October 19, 2023: <https://www.oeb.ca/sites/default/files/Order-in-Council-Directive-hydro-one-amendment-20231019.pdf>

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### List of Attachments

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## BACKGROUND

On October 23, 2023<sup>3</sup>, the Minister of Energy issued a Directive to the OEB under section 28.6.1 of the Ontario Energy Board Act, 1998 (“OEB Act”) to amend Hydro One’s electricity transmission licence to require Hydro One to develop and seek all necessary approvals for three transmission line projects located in Northeastern and Eastern Ontario, that were approved by the Lieutenant Governor in Council on October 19, 2023, as Order in Council No. 1532/2023<sup>4</sup> (“Directive”). The Projects are as follows:

- **Project #1 (known as North Shore Link Project)** - A new 230 kV transmission line from Mississagi TS to Third Line TS, including associated station facility expansions or upgrades required at the terminal stations;
- **Project #2 (known as Northeast Power Line Project)** - A new 500 kV transmission line from Mississagi TS to Hanmer TS, including associated station facility expansions or upgrades required at the terminal stations; and
- **Project #3 (known as Durham Kawartha Power Line Project)** - A new 230 kV transmission line from Dobbin TS to either Cherrywood TS or Clarington TS, including associated station facility expansions or upgrades required at the terminal stations.

The Order in Council accompanying the Directive states that expansion of Ontario’s transmission system is critical to provide a reliable and adequate supply of electricity to Northeastern and Eastern Ontario to support economic growth and electrification initiatives in the region. As such, all three of the transmission projects 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. 1531/2023 dated October 19, 2023<sup>5</sup>.

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.

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<sup>3</sup> Minister of Energy’s Letter to OEB, dated October 23, 2023:

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On October 31, 2024<sup>6</sup>, Hydro One provided the OEB with the IESO's guiding recommendations for these three new transmission projects in the Northeastern and Eastern Ontario area. The recommendations are primarily driven by two IESO bulk planning reports:

1. [Need for Northeast Bulk System Reinforcement](#) (October 2022)
2. [Gatineau Corridor End-of-Life Study](#) (December 2022)

These IESO reports affirmed the Projects' need and identified the scope and timing of each. Subsequent to these reports, the IESO provided Hydro One further direction in a letter dated March 8, 2024, regarding additional reactive facilities that will support voltage requirements in the northeast, as they pertain to and support the projects outlined in the Northeast Bulk System Reinforcement Report (including Projects #1 and #2) and gave recommendations regarding the required in service date of those facilities. Similarly for Project #3, Hydro One received a Memorandum from the IESO, dated December 8, 2023, regarding observations on new and modified alternative route options to meet the supply capacity needs.

In a letter dated December 5, 2024<sup>7</sup>, 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 first set of reports was filed with the OEB on January 31, 2025, and covered the period up until October 31, 2024. All subsequent bi-annual reports are to cover the reporting periods as follows:

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

All subsequent bi-annual reports are to be filed by the 15<sup>th</sup> business day of the month following the end of each reporting period. Consistent with this direction, Hydro One continues to file project-specific update reports for each of the projects throughout its development phase. The project reporting for Projects #1, #2, and #3 will be addressed in separate bi-annual reports, which will be filed with the OEB as a single consolidated document.

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<sup>6</sup> EB-2023-0319 Hydro One's Tx Recommendations Letter to the OEB, dated October 31, 2024:  
<https://www.rds.oeb.ca/CMWebDrawer/Record/870805/File/document>

<sup>7</sup> EB-2023-0319 OEB's Letter to Hydro One on Reporting Requirements, dated December 5, 2024:  
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### **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 transmission line portion of the three new transmission projects are expected to be owned by a new licenced transmitter partnership. On November 21, 2023<sup>8</sup>, Hydro One notified the OEB that it intends to begin using the OEB-approved ATP Account for tracking the line costs of the Projects, in the same manner as those already approved in EB-2021-0169 and EB-2022-0142, such that line costs included in the ATP Account for the 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.

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<sup>8</sup> EB-2023-0319 Hydro One's ATP Account Notification Letter to the OEB, dated November 21, 2023: <https://www.rds.oeb.ca/CMWebDrawer/Record/823665/File/document>

## PROJECT REPORT

### Project #3 – Durham Kawartha Power Line

#### OVERALL PROGRESS

In the IESO's "*Gatineau Corridor End-of-Life Study*" report, among other things, the IESO identified a need for a new 230 kV double-circuit transmission line from Dobbin TS to either Cherrywood TS or Clarington TS with a planned in-service of 2029. The Government declared this new transmission line a priority project, and designated Hydro One as the transmitter. The Government also directed the OEB to amend Hydro One's electricity transmission licence to require Hydro One to develop and seek all necessary approvals for the Durham Kawartha Power Line Project (hereinafter, "Project" shall refer to the Durham Kawartha Power Line Project).

Hydro One began development work in December 2023 and continues to proceed with advancing environmental approvals and consultation, and engineering and design activities for the Project. As part of this development work, Hydro One has selected the new 230 kV double-circuit transmission line to terminate at Clarington TS as established in the Notice of Commencement of the Class Environmental Assessment ("Class EA"). The following summarises the work that was undertaken within the reporting period of May 1, 2025 to October 31, 2025.

#### Environmental Approvals and Consultation

During this reporting period, Hydro One has continued environmental field studies and consultation activities required under the Class EA. The Draft ESR was finalized and released on October 29, 2025 for a 30-day public review and comment period. Hydro One also commenced the Stage 2 Archaeology program with the remaining work expected to be completed in 2026.

Hydro One has continued with ongoing engagement with Indigenous communities to support their participation in the field surveys and to facilitate the sharing of Indigenous knowledge throughout the field surveys and the Class EA process. Additionally, Indigenous communities are provided with the opportunity to raise concerns and offer feedback during the Draft ESR comment period. Capacity funding agreements have been made available to the eight Indigenous communities identified in Hydro One's duty to consult letter. To date, five agreements have been signed, with additional agreements anticipated to be finalized by the end of 2025.

Key engagement activities with Indigenous communities, government officials/agencies, interested persons and organizations during this reporting period have included:

- Commencement of Stage 2 Archaeology field work – May 26, 2025.
- Completion of environmental spring field work – July 25, 2025.
- Issuance of Draft ESR for public review – October 29, 2025.
- Municipal and Regional government outreach program – Ongoing.
- Engagement with landowners to obtain early access to the corridor to perform various environmental studies associated with the Project – Ongoing.

- Outreach and coordination with impacted stakeholders, including Conservation Authorities and landowners, on environmental study details – Ongoing.
- Regular Meetings with Indigenous communities to discuss Environmental, Archaeological plans and Identification of Commercial opportunities – Ongoing.

The Class EA process is expected to continue through to end of year, with the near-term focus on responding to comments received on the Draft ESR and finalization of the Environmental Study Report for issuance to the Ministry of the Environment, Conservation and Parks.

## Engineering and Design

To support of the Project's development phase activities for the transmission line engineering and design work, Hydro One contracted the services of two Engineering Procurement and Construction ("EPC") contractors, to participate in an Early Contractor Involvement ("ECI") procurement model. During this reporting period, key deliverables include:

- Conducted field investigations/surveys (i.e. ground and soil conditions, Lidar surveys, and right-of-way mapping) to inform project planning and development.
- Engaged with municipalities, government agencies and other utilities (i.e. railways, Transport Canada, etc.) to identify and address engineering design requirements necessary for the development of the Project.
- Finalization of the design and materials, execution plans, road access maps, and tower spotting in preparation for the ECI-EPC contractors' final proposals for the Project.
- Requested final proposals from the ECI-EPC contractors to engineer, procure and construct the transmission line. Hydro One is anticipating selection of the preferred contractor in early 2026.
- Continued engagement between Hydro One and ECI-EPC contractors to identify and implement opportunities for project innovation, to enable the development of an optimal delivery solution which mitigates risk.

Hydro One has also progressed engineering and design work for the expansion work at two of Hydro One's transmission stations, Dobbin TS and Clarington TS, to support the connection of the new 230 kV double-circuit transmission line terminations. During this reporting period, key deliverables included a constructability review, schedule development, and identification of the technical requirements and materials for both stations, including the replacements required at Dobbin TS to address the short circuit analysis completed in the previous reporting period.

## COSTS

Consistent with the Order in Council for this Project, and the timing requirements for its delivery, Hydro One has continued development work for the Project, as indicated by the expenditures to date shown in Table 2 below. Budgets cited on prior reports accounted for the initial development activities required (i.e., Class EA); the total development work budget shown in Table 2 below is reflective of further advancement in the development activities in support of achieving the next stage of the Project's development work.

**Table 2 - Project Development Costs – Durham Kawartha Power Line Project**

	Actuals Spent		C	Forecast Budget Variance					
	A	B		D	E	F	G	H	I
	Spent this Reporting Period <sup>9</sup> (Millions)	Total Spent to Date (Millions)	Budget per April 2025 Report <sup>10</sup> (Millions)	Forecast Budget Change from Last Report (Millions)	Forecast Budget Change from Last Report <sup>11</sup> (%)	Revised Total Budget (Millions)	G = F - B Budget Remaining (Millions)	H = G/F * 100 Budget Remaining (%)	Reasons for Change
<b>Real Estate</b>	\$0.9	\$4.2	\$15.3	-\$2.6	-17%	\$12.7	\$8.6	67%	Project Maturity
<b>Engineering and Design</b>	\$3.0	\$5.7	\$5.9	2.4	41%	\$8.4	\$2.7	32%	Project Maturity
<b>Environmental Approvals</b>	\$1.7	\$3.1	\$4.5	\$1.8	40%	\$6.4	\$3.3	52%	Project Maturity
<b>Indigenous Consultation</b>	\$0.4	\$1.5	\$7.1	-\$0.9	-13%	\$6.2	\$4.7	76%	Project Maturity
<b>Project Management</b>	\$1.8	\$4.3	\$5.8	\$2.0	34%	\$7.9	\$3.6	44%	Project Maturity
<b>Contingency</b>	\$0.0	\$0.0	\$5.4	\$3.0	55%	\$8.4	\$8.4	100%	Project Maturity
<b>Other Consultation</b>	\$0.2	\$0.5	\$3.2	-\$1.8	-56%	\$1.4	\$0.9	65%	Project Maturity
<b>Interest and Overhead</b>	\$0.7	\$1.2	\$2.8	\$3.5	123%	\$6.3	\$5.1	81%	Project Maturity
<b>Total<sup>12</sup></b>	<b>\$8.7</b>	<b>\$20.4</b>	<b>\$50.2</b>	<b>\$7.5</b>	<b>15%</b>	<b>\$57.6</b>	<b>\$37.2</b>	<b>65%</b>	

<sup>9</sup> Actual Spent amounts for this reporting period shown in *Column A* reflects the OEB's direction that the report should cover the period from May 1, 2025 to October 31, 2025.

<sup>10</sup> Budget amounts shown in *Column C* are for the Project's EA phase only as originally identified in the previous reporting periods. With further project maturity, the total Project development work budget is now reflected in *Column F*.

<sup>11</sup> Forecast Budget Change from Last Report shown in *Column E* represents *Column D* divided by *Column C* multiplied by 100.

<sup>12</sup> Total amounts throughout the cost table may not add as values are rounded and represented by one decimal place.

## PROJECT DEVELOPMENT WORK SCHEDULE

In the IESO’s “*Gatineau Corridor End-of-Life Study*” report issued in December 2022, the IESO indicated that the Durham Kawartha Power Line Project would be required to be in-service by the end of 2029. Hydro One has built out a development schedule with the goal of filing the leave to construct application in Mid-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 the development work. The Draft ESR timelines were slightly delayed to allow for additional consultation; however, Hydro One is still on target to submit the Final ESR in late 2025 as planned. Additionally, Hydro One notes that Table 3 has been revised to only reflect project development work milestones in accordance with the OEB’s reporting requirements.

**Table 3 - Project Development Work Schedule – Durham Kawartha Power Line Project**

Milestones	Schedule	Completed	Adjusted To
Notice of Commencement of Class EA	Mid-2024	June 4, 2024	-
Community Open House #1	Mid-2024	June 27, 2024	-
Selection of preferred route	End-2024	December 16, 2024	-
Community Open House #2	Early-2025	March 18 & 20, 2025	-
Release of the Draft ESR for public review and comment	Mid-2025	October 29, 2025	-
Submit Final ESR and complete the Class EA process	Late 2025	-	-
Leave to Construction (Section 92) Application Submission	Mid-2026	-	-

## RISKS AND ISSUES LOG

The Project is being monitored continually for risks and risk mitigation implemented as a matter of routine activity by the Project team. Risks are formally re-evaluated on a quarterly basis. A list of major development risks actively being managed is presented below.

- There is a risk of delay to the Project if the easements required to construct the new transmission line cannot be acquired voluntarily, and Hydro One must apply to the OEB for authority to expropriate the lands. To mitigate this risk Hydro One is engaging landowners early, discussing concerns and implementing mitigations, in order to secure voluntary option agreements with landowners.
- There is a risk of delay to the Project if there are regulatory approval delays. To mitigate this risk, Hydro One is committed to undertaking notification and outreach to impacted parties; and working with the regulatory bodies to provide sufficient time and opportunity

for regulators to undertake their reviews and approvals. Examples of regulatory approval delays during the development phase include the following:

- There is a risk of delay to the Project if an Order under Section 16 of the *Environmental Assessment Act* is pursued. To mitigate this risk, Hydro One continues to offer engagement opportunities with Indigenous communities proximate to the Project's Class EA study area, which includes offering the provision of capacity funding to potentially impacted communities and site monitor compensation, to support these consultation/ monitoring activities and involvement in the Class EA process.
- There is a risk of delay to the archeology program due to the slow progression of work and identification of a number of sites along the Project route that may require further clearing to support Stage 3 or Stage 4 Archeological Assessments. To mitigate this risk, Hydro One is deploying additional crews to advance clearing activities through to the remainder of 2025 and into 2026, with priority given to sites anticipated to require Stage 3 or Stage 4 Archeological Assessments.

Risks for further stages of the Project development work will be identified as the Project progresses. 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 the Durham Kawartha Power Line 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** – Nothing to report during the period.

## ATTACHMENT 1

### Map of the New Transmission Line in Eastern Ontario

A map of the Durham Kawartha Power Line Project (Project #3) in Eastern Ontario, which references the new 230 kV double-circuit transmission line planned between Dobbin TS and Clarington TS.



### Durham Karwartha Power Line Project

#### Map Legend

- Station/Junction
- Preferred route
- Selected route alternative B
- Potential underground line
- Local study area (500 m on either side of the route centerline)
- Municipal boundary
- First Nation community
- Waterbody
- Roads

