

BY EMAIL AND RESS

December 2, 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-2025-0254 - Wasaga Distribution Inc. Application for a Service Area Amendment – Hydro One Responses to Procedural Order No. 4

Hydro One Networks Inc. (“Hydro One”) provides its response to Procedural Order No. 4, issued by the Ontario Energy Board (“OEB”) on November 25, 2025 (“PO4”). Hydro One’s response will address the following:

- 1) The relevance of upstream costs incurred and paid since 2022 to this SAA Application and the principles in RP-2003-0044 (Reference to Hydro One Interrogatory 7(e) and (f) and WDI’s response);
- 2) The relevance of asset additions, relocations or upgrades from January 1, 2015 to present, to this SAA Application, and the principles in RP-2003-0044 (Reference to Hydro One Interrogatory 12 and WDI’s response); and
- 3) WDI Response to Hydro One Interrogatory 1(c) and failure to update response to Hydro One Interrogatory 1(d) arising from the disclosure of the new information.

Please note that all capitalized terms in this response have the same meaning as set out in Hydro One’s Intervenor Evidence.

1) Hydro One Interrogatory 7(e) and (f) and WDI’s Response

Hydro One submits that both upstream costs incurred to serve the Subject Area and contributions in aid of construction paid since August 2022 for those same upstream investments are relevant to this application and to the Principles for Dealing with Service Area Amendments as identified in RP-2003-0044.

First, as part of Hydro One’s Notice of Motion it sought a complete answer to Hydro One Interrogatory 1 c), which asked WDI when it first became aware of the subject development. WDI’s response was that it was informed of the development on August 23, **2022** (not 2023, as referred to in PO4) through the municipal pre-consultation meeting referred to as PRE-C1722, which WDI was ordered to file on the record pursuant to PO4. Accordingly, Hydro One submits that for the Board to assess a comparison of the economic and engineering efficiency of the Applicant and Hydro One, as the incumbent distributor,

it is incumbent that WDI be transparent in this proceeding and provide a fulsome response, and disclose any upstream costs and investments which have been incurred post August 2022, given the approximate 3 years WDI has had notice of the subject development and that the Subject Area was within the defined service territory of Hydro One. In addition, Hydro One submits that section 7.5.3 of the OEB SAA Filing Requirements requires that in the event of a contested SAA application, the Applicant must file:

Actual copies of, as well as a summary of, the offer(s) to connect documentation (including any associated financial evaluations carried out in accordance with Appendix B of the Distribution System Code). **The financial evaluations should indicate costs associated with the connection including, but not limited to, on-site capital, capital required to extend the distribution system to the customer location, incremental upstream capital investment required to serve the load, the present value of incremental OM&A costs and incremental taxes as well as the expected incremental revenue, the amount of revenue shortfall, and the capital contribution requested.** (Emphasis added)

The filing requirements flow from the Combined SAA Proceeding Decision, that clearly states:

In all instances, the costs associated with the connection should be the fully loaded costs, which capture all of the relevant indirect and direct costs reasonably associated with the project at issue, not merely the price of connection quoted to the prospective connection customer. Costs developed with respect to other connection projects which are not contested will serve as a guide in assessing the authenticity of costs associated with a contested project. (Emphasis added)

WDI has confirmed in this proceeding and/or in its latest rebasing application that the construction of the facilities referenced in Hydro One Interrogatories 7(e) and 7(f) was intentionally planned to serve incremental load growth, including the Subject Area, and thus these are relevant costs that can be reasonably associated with the connection of the Subject Area.

Further, in response to Hydro One Interrogatory 8(e), the Applicant outlined how growth was accounted for in their Load Growth Analysis Report, dated October 2023, that supported WDI's most recent rebasing application which was included as Attachment A to WDI's Supplementary Evidence. WDI states that,

...planned growth is derived from projects in the Town of Wasaga Beach that are either in the final stages of planning approvals or currently under construction. **Potential growth relies on preliminary submissions from the Town's pre-consultation process and strategic growth areas outlined by municipal planning. These two sources were used to forecast some of WDI's capacity needs. MS6 and Morgan Road were not only implemented for subdivision development growth but to address broader load growth and system reliability requirements, including anticipated future growth.** (emphasis added)¹

¹ WDI response to Hydro One Interrogatory 8(d).

Therefore, the Town of Wasaga Beach’s pre-consultation process, including PRE-C1722, informed the Load Growth Analysis Report. Notwithstanding, in response to Hydro One Interrogatory 8(g), WDI has now stated that it only learned that the Subject Area was included in the Load Growth Analysis Report, which report was prepared at its request, as a result of this proceeding. WDI’s states that,

While the Subject Area was included in the Load Growth Analysis Report, WDI only became aware of this during this interrogatory process, as the development growth source data was provided by the Town of Wasaga Beach. The inclusion was not intended to forecast subdivision-specific load but to analyze the overall impact of load growth on WDI’s distribution system. (emphasis added)

The *Load Growth Analysis Report* - validated by WDI- served as the foundation for establishing WDI’s capacity requirements and informed the investments necessary to meet those capacity needs, including MS6 and the Morgan Road expansions currently relied on in plans to serve the Subject Area. These expansions addressed, either fully or partially, the capacity requirements identified through the Town’s pre-consultation process that resulted in the inclusion of the Subject Area in WDI’s forecasts.

In a contested SAA, the pre-emptive build-out of upstream distribution facilities to serve anticipated future load, where the LDC is aware such load is contemplated and requires a SAA, does not preclude those upstream facilities from inclusion in fully loaded cost comparison assessments solely due to their pre-emptive build-out. Pursuant to the SAA Filing Requirements and the Combined SAA Proceeding, any cost comparison to connect the Subject Area must include all direct and indirect costs reasonably associated with the project at issue, not merely the developer’s connection price. This includes the upstream facilities that WDI has proactively constructed since 2022 to expand its distribution capacity to the Subject Area in anticipation of this SAA.

2) Hydro One Interrogatory 12 and WDI’s response

With respect to the relevance of the contribution in aid of capital for these investments, the OEB’s principles for SAAs outline that, “Economic efficiency would include...ensuring that the amendment does not result in any unnecessary duplication or investment in distribution lines and other distribution assets and facilities”.² WDI asserts that approving the SAA would prevent unnecessary duplication of WDI ratepayer funded assets.³ According to WDI, a Hydro One connection of the Subject Area would bypass existing WDI assets that has already been upgraded adjacent to the Subject Area and was designed to accommodate future growth and provide looped feeds.⁴ However, the WDI Application and record in this proceeding do not clearly identify which assets would be duplicated or the extent of WDI ratepayer funding to construct those facilities.

Absent the detailed information sought in Hydro One’s motion, it is respectfully submitted, the OEB will have insufficient evidence to determine which proposed connection is more technically efficient and cost-

² RP-2003-0044 – para. 84

³ WDI SAA Application – WDI SAA Application Filed – p. 16 of 27

⁴ WDI Interrogatory Response to OEB Staff 4 – November 7, 2025

effective, as required under the Principles for Dealing with Service Area Amendments as identified in RP-2003-0044 and the OEB's Filing Requirements for SAA Applications.

3) WDI Response to Hydro One Interrogatory 1(c) and failure to update response to Hydro One Interrogatory 1(d) arising from the disclosure of the new information

Upon review of PRE-C1722 (dated August 23, 2022) and WDI's response to Hydro One's Interrogatory 1(d), Hydro One notes that WDI has not revised its response to reflect the newly disclosed information. Hydro One respectfully requests that WDI update its response accordingly and address the following questions, which remain within the scope of the original interrogatory.

- a) Did WDI attend the September 21, 2022, pre-consultation meeting? If yes, to provide a copy of the information it shared at the meeting or a summary of the information it shared.
- b) To provide any documentation or information shared between August 23, 2022 (the date of issuance of the PRE-C1722 municipal circulation) and January 30, 2024 to the developer(s), including a copy of the email it sent to Sterling as referenced in WDI's response to Hydro One's Interrogatory at 1(d) "noting HONI as the distributor of record and requesting [Sterling's] support should a SAA be pursued" which was not produced in Appendix F.

An electronic copy of this correspondence has been submitted using the Board's Regulatory Electronic Submission System.

Sincerely,



Pasquale Catalano

cc: Wasaga Distribution Inc
EB-2025-0254 Intervenors of Record