



**BY EMAIL**

December 11, 2025

Pasquale Catalano  
Director  
Major Projects and Partnerships  
Hydro One Networks Inc.  
7th Floor, South Tower  
483 Bay Street  
Toronto, ON M5G 2P5  
[Pasquale.Catalano@HydroOne.com](mailto:Pasquale.Catalano@HydroOne.com)

Dear Pasquale Catalano:

**Re: Hydro One Networks Inc. (Hydro One)  
HONI Northeastern and Eastern Ontario Tx Line Projects – Bi-annual  
Reporting for the Period May 1, 2025 to October 31, 2025  
OEB File Number: EB-2023-0319**

The Ontario Energy Board acknowledges receipt of the bi-annual reports dated November 21, 2025, regarding the Northeastern and Eastern Ontario Transmission Line Projects.

Hydro One reported significant budget increases for two projects compared to the planned budgets from the previous reporting period (November 1, 2024 – April 30, 2025)<sup>1</sup>, as summarized below:

Project Name	Planned Budget	Updated Budget	% Increase
North Shore Link	\$52.7M	82.3M	56.1%
Northeast Power Line	\$50.5M	\$88.1M	74.5%

Hydro One stated in its reports that development budgets have increased “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”. Hydro One further stated that “these activities are now executed earlier in the development cycles to reduce cost risk and improve schedule certainty at the execution stage”.

<sup>1</sup> EB-2023-0319 – Hydro One Networks Inc.'s Northeastern and Eastern Ontario Transmission Line Projects – Bi-annual Reporting for the Period November 1, 2024, to April 30, 2025.

To better understand the drivers and implications of this update, OEB staff requests clarification from Hydro One on the following matters:

1. Please explain the main drivers behind the cost increases.
2. Please provide a comprehensive list of the studies and activities referred to in the additional project scope.
3. Please clarify how executing these activities earlier in the project cycle helps reduce cost risks, and why this approach was not adopted during the initial development stage.
4. Hydro One notes that “these activities do not represent an increase in the total cost to deliver the Project”. Please elaborate on this statement, including confirmation of the current total cost estimate for delivering the two projects.

Given the significant budget increase for the two projects mentioned above, OEB Staff emphasizes the importance of Hydro One exercising rigorous cost management and implementing effective controls to ensure that project expenditures remain prudent and aligned with ratepayer interests.

Please direct any questions relating to this this letter to Musab Qureshi at [Musab.Qureshi@oeb.ca](mailto:Musab.Qureshi@oeb.ca).

Yours truly,

Ritchie Murray  
Acting Registrar

cc: Brian Hewson, [Brian.Hewson@oeb.ca](mailto:Brian.Hewson@oeb.ca)