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February 13, 2025

DELIVERED BY RESS

Ritchie Murray, Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Mr. Murray:

**Re: Essex Transmission LP – Application for Electricity Transmission Licence
EB-2026-0095**

We are counsel to Essex Transmission LP (“Essex Transmission” or the “Applicant”).

Essex Transmission is hereby applying to the Ontario Energy Board (“OEB” or the “Board”) pursuant to Section 60 of the *Ontario Energy Board Act, 1998* (the “OEB Act”) for an Electricity Transmission Licence under Section 57(b) of the OEB Act.

Enclosed is the Applicant’s completed application form, together with all attachments (the “Application”). Payment of the applicable filing fee in the amount of \$1,000 will be made certified cheque sent under separate cover. The Application contains information and attachments that the Applicant requests to be filed in confidence and such request will be addressed below under the section “Confidentiality Request”.

1. The Applicant¹

Essex Transmission is a newly-formed Ontario limited partnership. Essex Transmission GP Inc. (“Essex Transmission GP”) is the general partner of Essex Transmission. PUC Inc. and PUC Services Inc. are wholly owned by The Corporation of the City of Sault Ste. Marie. PUC Distribution Inc., PUC (Transmission) LP Inc. and Essex Transmission GP are wholly owned by PUC Inc.

PUC Distribution Inc. owns the assets that are used to distribute electricity to residences and businesses within the boundaries of the City of Sault Ste. Marie as well as parts of Prince Township, Dennis Township and the Rankin Reserve. It also owns transmission assets, which are managed, operated and maintained by PUC Services Inc.

¹ See section 6 of the Transmission Licence Application.

There is a letter of support in place for Axium Infrastructure Canada II Limited Partnership (“AIC II LP”), represented by Axium Infrastructure Inc., acting on behalf of Axium Canada II Partner Inc., the general partner of AIC II LP (“Axium”) pursuant to which Axium has agreed to assist to secure construction financing on behalf of Essex Transmission for the proposed facilities set out in the Application, subject to the satisfaction of certain conditions. If such conditions are met, it is anticipated that Axium or a newly-formed subsidiary of Axium will become an affiliate of the Applicant.

There is a letter of support in place for Essex Power Corporation, pursuant to which Essex Power Corporation has to assist to secure construction financing on behalf of Essex Transmission LP for the proposed facilities set out in the Application, subject to the satisfaction of certain conditions. If such conditions are met, it is anticipated that Essex Power Corporation will become a limited partner of the Applicant.

2. The Proposed Facilities²

The Applicant intends to develop the following transmission facilities (“Proposed Facilities”):

- 230 kV Transmission Line:
 - 230 kV, double circuit, each circuit rated at 970 MVA
 - 7 km length, starting at Hydro One’s Lakeshore TS and ending at the Applicant’s new Transformer Station

- 230 kV Transformer Station:
 - Located in the Municipality of Leamington along Mersea Rd. 10 west of Highway 77
 - 2-230 kV buses
 - Four autotransformers at 230/115/27.6 kV, each rated at 250/333 MVA

The Proposed Facilities’ purpose is to provide additional transmission capacity to a group of industrial load customers and regional distributors, including greenhouse growers, the licenced distributor Essex Powerlines Corporation and other potential customers, where there is insufficient capacity on the existing transmission facilities downstream of Hydro One’s Lakeshore TS.

These are the current expectations and plans related to the Proposed Facilities and are subject to adjustments and changes as the Applicant proceeds in the process.

3. Technical and Financial Expertise, Experience and Resources

(a) Technical and Financial Expertise and Experience³

The Applicant and its affiliates’ combined expertise, experience and resources provide a very high level of technical capability with respect to the activities associated with the Application, such as

² See section 4 of the Transmission Licence Application.

³ See sections 9 and 10 of the Transmission Licence Application.

planning, development, financing, construction, ownership, operation and maintenance of electricity transmission facilities within Ontario.

PUC Distribution Inc., an affiliate of the Applicant, currently owns the following transmission assets:

- four 115kV overhead transmission circuits totalling 15.4km in length; and
- two 120MVA transformer stations:
 - each station includes transformation to step down to 34.5kV for distribution and all associated switchgear, protective systems, telecommunications and SCADA systems.
 - host to just over 63MW of renewable generation and 7MW/7MWh IESO contracted energy storage facility.

PUC (Transmission) LP, by its general partner PUC (Transmission) GP Inc. (“**PUC Transmission**”), is a licenced transmitter (ET-2021-0088). While PUC (Transmission) GP Inc. and PUC (Transmission) LP do not strictly meet the definition of “affiliate” under the Ontario Business Corporations Act, they are included in this application as affiliates for the purpose of transparency and regulatory completeness. These entities are under common ownership via PUC Inc. and PUC (Transmission) LP Inc. with Essex Transmission, share key personnel and operational resources, and have a direct bearing on the applicant’s technical and managerial capability to operate as a licensed transmitter. This approach is intended to provide the Board with a comprehensive understanding of the applicant’s corporate and operational context.

PUC (Transmission) LP, is engaged in business activities associated with planning, development, financing, construction, ownership, operation and maintenance of electricity transmission facilities. PUC (Transmission) LP successfully obtained leave to construct for a transmission line and transmission station facilities (EB-2023-0360) to provide additional transmission capacity to accommodate new loads in the City of Sault Ste. Marie, and to support PUC Distribution’s infrastructure renewal and connect new generators. PUC (Transmission) LP obtained approval of security deposit procedures and is in the process of seeking approval of its Transmission Connection Procedures (EB-2025-0193). Once constructed and in service, the new facilities will be comprised of: a) approximately 10 km of new 230 kV transmission lines that will cross the northerly and westerly areas of the City of Sault Ste. Marie, starting at Hydro One’s Third Line TS and ending at a new 230 kV transformer station to be constructed at the easterly limit of Yates Avenue in Sault Ste. Marie; and b) a new 230 kV transformer station, located at the easterly end of Yates Avenue within the boundaries of Sault Ste. Marie.

PUC Services Inc., an affiliate of the Applicant, manages, operates, and maintains the assets and business of both PUC Distribution Inc. and PUC (Transmission) LP.

As these transmission assets and the Proposed Facilities are very similar, this demonstrates that the Applicant has sufficient technical expertise to own, operate and maintain the Proposed Facilities.

In addition, the Applicant plans to bring in contracted resources consistent with best practices. This will further ensure that the Applicant will be able to draw expertise from those with significant experience with projects like the Proposed Facilities.

Individuals employed with Essex Transmission’s affiliates, such as PUC Inc. and PUC Services Inc., possess extensive experience in transmission, operations and development and have participated in large Ontario transmission development activities. Some individuals have also been previously employed by Ontario’s licenced transmission companies for many years. Further details of the expertise and experience of the affiliates and key individuals can be found in sections 8-10 of the Application and are summarized below:

- Over 40 years of experience in the energy sector with significant experience in transmission, operations and development;
- Experience leading Ontario transmission development activities with respect to the East West Tie Transmission Project;
- Over 30 years of experience in the energy field with experience related to electrical transmission and distribution, engineering, operations, maintenance and customer service;
- Previously employed with Great lakes Power Transmission/Great Lakes Power Limited with extensive experience in asset management, operations and maintenance of transmission substations; and
- Over 30 years experience in utility financial and operational analyses and financial control.

In addition, Axium’s management team comprises of infrastructure investment specialists with decades of combined experience acquiring, developing, financing, operating and managing infrastructure assets. Essex Power Corporation’s management team comprises of seasoned executives with deep expertise in electricity distribution, regulatory affairs, operations, engineering and corporate strategy.

(b) Financial Resources⁴

The Applicant has demonstrated its financial feasibility and security in being able to plan, develop, construct, own, operate and maintain electricity transmission facilities within Ontario through the financial statements of its affiliates PUC Inc., PUC Services Inc., PUC Distribution, PUC (Transmission) LP, PUC (Transmission) GP Inc., and PUC (Transmission) LP Inc.

Particularly, with respect to the Proposed Facilities, as mentioned above there is a Letter of Support in place for Axium pursuant to which Axium has agreed to assist to secure construction financing on behalf of Essex Transmission for the Proposed Facilities subject to the satisfaction of certain conditions. AIC II LP’s financial statements have also been provided to show its financial capabilities in supporting the costs incurred by Essex Transmission for the Proposed Facilities. The letter of support and financial statements have been filed in confidence (see Section 7 below).

There is also a support in place for Essex Power Corporation pursuant to which Essex Power Corporation has agreed to assist to secure construction financing on behalf of Essex Transmission LP for the Proposed Facilities, subject to the satisfaction of certain conditions. Essex Power Corporation’s

⁴ See Section 6 of the Transmission Licence Application and Attachments 4-9.

financial statements have also been provided to show its financial capabilities in supporting the costs incurred by Essex Transmission for the Proposed Facilities. The letter of support has been filed in confidence (see Section 7 below).

4. Lexi Decision

In the Board's decision on August 10, 2009, the Board denied the application by Lexi Transmission Corporation ("Lexi") for an electricity transmission licence (EB-2009-0164) (the "Lexi Decision"). The Board identified two threshold tests for transmission licence applications:

- (1) whether there is a specific project which underpins the application, and
- (2) in the absence of a specific project, whether the applicant is engaged in transmission activity elsewhere and whether it has the necessary technical and financial expertise to undertake transmission activity in Ontario.

With respect to the first threshold test, the project underpinning the Application will be the Proposed Facilities as described in Section 2 above and in the Application. After obtaining an Electricity Transmission Licence, the Applicant intends to bring a leave-to-construct application for development of the Proposed Facilities. The purpose of the Proposed Facilities is to provide additional transmission capacity to a group of industrial load customers and regional distributors, including greenhouse growers, the licenced distributor Essex Powerlines Corporation and other potential customers, where there is insufficient capacity on the existing transmission facilities.

As the Applicant has demonstrated that there is a specific project that underpins the Application, it submits that there is no need to proceed to the second threshold test.

Having said that, as more fully detailed in the Application, the Applicant submits that the Applicant combined with its affiliates' extensive transmission experience and Axium's infrastructure investment experience across Canada in the energy sector will ensure that the Applicant has the necessary technical expertise and financial depth to plan, develop, construct, own, operate and maintain electricity transmission facilities in Ontario as detailed in Section 3 above.

5. Effective Date

The Applicant asks that any Electricity Transmission Licence issued pursuant to the Application be made effective as of the date upon which the Applicant applies to amend schedule 1 of the Licence to specify the facilities to be owned and/or operated by the Applicant.

The OEB has previously issued later effective dates for transmission licences that are subject to the occurrence of an event to coordinate the timing of the effective date of the licence with the timing of the commencement of prospective transmission services. Following are some examples of licences with such effective dates granted by the OEB:

- PUC Transmission, Licence No. ET-2021-0088 dated April 10, 2025
- EB-2011-0350 EWT L.P. Licence No. ET-2011-0350 dated May 31, 2012

- EB-2011-0260 TransCanada Power Transmission (Ontario) L.P., Licence No. ET-2010- 0324 dated June 22, 2011 amended November 2, 2011
- EB-2011-0282 RES Canada Transmission LP Licence No. ET-2011-0282 dated December 5, 2011
- EB-2011-0222 Upper Canada Transmission, Inc. Licence No. ET-2011-0222 dated November 25, 2011.

In light of these precedents, the Applicant requests that the OEB grant similar treatment to the Applicant and issue an Electricity Transmission Licence with the effective date to be the date upon which the Applicant applies to amend schedule 1 of the Licence to specify the facilities to be owned and/or operated by the Applicant.

6. In-Service Date

As mentioned above, after obtaining an Electricity Transmission Licence, the Applicant intends to bring a leave-to-construct application for development of the Proposed Facilities. The following is the anticipated sequence of OEB related regulatory approvals:



Construction of the Proposed Facilities will commence subsequent to the Applicant obtaining OEB approval for the leave-to-construct application. As such, currently the in-service date of the Proposed Facilities is to be determined. The Applicant estimates the in-service date to be in or around March 2029.

7. Confidentiality Request

The Applicant is seeking confidential treatment of the following materials as part of the Application (collectively, the “**Confidential Material**”) and filing the Confidential Material in confidence pursuant to the Board’s Practice Direction on Confidential Filings (the “**Practice Direction**”):⁵

⁵ OEB, Practice Direction on Confidential Filings, December 17, 2021, (“OEB Practice Direction”) online: <https://www.oeb.ca/regulatory-rules-and-documents/rules-codes-and-requirements/practice-direction-confidential-filings>.

Section/Attachment	Pages	Basis for Confidential Treatment
<p>“Section 10 - Information About Each Key Individual” of the Application (with the exception of the names and positions held of key individuals).</p>	<p>22 - 31</p>	<p>The information used to populate Item 10, Section B is personal information, which includes past employment and experience. This information constitutes personal information under Section 2(1) of the <i>Freedom of Information and Protection of Privacy Act</i> (“FIPPA”).⁶</p> <p>In addition, the Applicant notes that as part of the Application for Electricity Transmission Licence – Application Instructions, the Board notes: “The Board shall keep confidential the information in Item 10, Section B of this form, with the exception of the names and positions held of key individuals”.</p> <p>Accordingly, the Applicant has redacted the information in Item 10, Section B of the Application, with the exception of the names and positions held of key individuals and requests that the Board keep this redacted information as confidential.</p>
<p>AIC II LP letter of support (Attachment 6) (the “Axiom Letter of Support”) and financial statements (Attachment 5) of AIC II LP filed with “Section 11 - Financial Information” of the Application (with irrelevant portions redacted) (“Relevant Portions of Axiom Financial Statements”).</p> <p>Essex Power Corporation letter of support (Attachment 8) (the “Essex Power Corporation Letter of Support”) and financial statements</p>	<p>144 – 226</p> <p>AND</p> <p>228 - 230</p> <p>232 – 272</p>	<p>Confidential treatment for the Confidential Material is requested for the following reasons:</p> <p>Appendix “A” to the Practice Direction sets out the Board’s considerations in determining requests for confidentiality. Among those considerations are the following:</p> <ul style="list-style-type: none"> (a) (i) prejudice to any person’s competitive position; (iv) whether the disclosure would be likely to produce a significant loss or gain to any person; and (e) whether the type of information in question was previously held confidential by the OEB.

⁶ *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c. F.31.

<p>(Attachment 7) (the “Essex Power Corporation Financial Statements”) of Essex Power Corporation filed with “Section 11 - Financial Information” of the Application.</p>	<p>AND 274 - 275</p>	<p><i>Prejudice Competitive Position</i></p> <p>Portions of the AIC II LP financial statements that are not relevant to AIC II LP’s financial viability are redacted on the basis that that information is irrelevant and has no probative value to this Application, it has not been included. Please see a letter included in the Application as Attachment 5 from AIC II LP in support of this confidentiality request and further explanation of parts that are irrelevant and have been redacted. The request for confidentiality is related to the balance of the financial statements of AIC II LP which are unredacted (i.e. Relevant Portions of Axium Financial Statements).</p> <p>AIC II LP is a privately held infrastructure fund that has been established to complete and manage investments in infrastructure assets in Canada. The fund is a Canadian-domiciled limited partnership. The majority of limited partners that have committed capital to the fund comprise public and private pension plans and institutional investors. The Axium Letter of Support and financial statements are not publicly available documents and are commercially sensitive. By disclosing the Axium Letter of Support and financial statements, AIC II LP’s financial capabilities would be exposed to its competitors (other infrastructure funds and other sources of capital) and would result in placing AIC II LP in a competitive disadvantage against those competitors and would result in a significant loss for AIC II LP.</p> <p>Essex Power Corporation is a privately held holding corporation that owns the licenced distributor Essex Powerlines Corporation as well as three, non-regulated competitive affiliates – Essex Energy Corporation, Utilismart Corporation and WattsWorth Analysis Inc. These non-regulated affiliates operate in fully competitive markets, including energy services, advanced meter data management solutions and energy analytics. The Essex Power Corporation Letter of Support and Financial Statements are not publicly available documents and contain commercially sensitive information, including capital structure, liquidity, financial capacity and internal financial relationships within the corporate group. Disclosure</p>
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		<p>of this material would allow third parties, by combining it with publicly available regulatory filings of Essex Powerlines Corporation, to impute the profitability, margins and financial performance of the non-regulated affiliates. This would place Essex Power Corporation and its competitive affiliates at a structural disadvantage relative to competitors that are not subject to any comparable disclosure regime.</p> <p>Such disclosure would prejudice the competitive position of Essex Power Corporation and its affiliates within their respective markets, and create a material risk of significant financial loss, including weakened negotiating positions, erosion of competitive advantage, and potential loss of commercial opportunities. Once disclosed, this harm would be irreversible.</p> <p><i>Previously Held Confidential</i></p> <p>Appendix “A(e)” of the Practice Direction directs the Board to consider whether the type of information for which confidentiality is sought has previously been held confidential by the OEB. That consideration strongly supports confidential treatment in this case.</p> <p>The Board has a long-standing and consistent practice of granting confidential treatment of financial information and letters of support filed in connection with electricity licence applications, particularly where the applicant or its affiliates are privately held and disclosure would reveal commercially sensitive information unrelated to the Board’s public interest mandate. For example:</p> <ul style="list-style-type: none"> • In PUC Transmission’s licence application (EB-2021-008), the OEB granted the request for confidential treatment of its and its affiliates’ financial and personal information, as well as letters of support. The OEB held that “[a]s it is the OEB’s practice to retain in confidence the financial information provided by applicants in support of their licence applications, PUC Transmission’s request for confidential treatment of its, and its
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		<p>affiliates’, financial and personal information in support of the application is granted.”⁷</p> <ul style="list-style-type: none"> • In AltaLink Ontario, LP’s application, the Board similarly found that: “[i]t has been the Board’s practice to retain in confidence financial information provided by applicants in support of licence applications.”⁸ • In RES Canada Transmission LP’s application the Board reiterated that: “[i]t has also been the Board’s practice to retain in confidence financial information, such as that in Appendix D, provided by applicants in support of licence applications” (Appendix D being Renewable Energy Systems Holdings Limited Consolidated Financial Statements).⁹ <p>This Application aligns squarely with that established practice. Axiom’s financial information and a letter of support were accepted for confidential treatment in the PUC Transmission application on the same grounds advanced here, namely that the materials are commercially sensitive, not publicly available, and filed solely to demonstrate financial capability in support of a licence application.¹⁰</p> <p>It is reasonable for the Applicant to anticipate that the Board will accord confidential treatment to the financial information of AIC II LP and Essex Power Corporation and requests that the Board grant similar treatment to the Axiom Letter of Support, Relevant Portions of the Axiom Financial Statements and Essex Power Corporation Letter of Support and Financial Statements filed with this Application.</p>
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⁷ EB-2021-0088, Decision and Order, PUC (Transmission) LP, by its general partner PUC (Transmission) GP Inc., October 21, 2021.

⁸ AltaLink Ontario, L.P.’s application (EB-2011-0126) Decision and Order at p. 2.

⁹ RES Canada Transmission LP’s application (EB-2011-0282)4 Decision and Order at p. 2.

¹⁰ EB-2021-0088, Decision and Order, PUC (Transmission) LP, by its general partner PUC (Transmission) GP Inc., October 21, 2021.

<p>Attachment 9 - Pro Forma Financial Statement of the Applicant (the “Pro Forma”) filed with “Section 16 - Service to other parties” of the Application.</p>	<p>277</p>	<p>Appendix “A” to the Practice Direction sets out the Board’s considerations in determining requests for confidentiality. Among those considerations are the following:</p> <ul style="list-style-type: none"> (a) (i) prejudice to any person’s competitive position; (iv) whether the disclosure would be likely to produce a significant loss or gain to any person; and (e) whether the type of information in question was previously held confidential by the OEB. <p>In response to Item 16 of the Application, the Applicant is filing in confidence with the Application at Attachment 9 the Pro Forma that includes information on the Applicant’s revenues, costs, earnings and operating cash flow forecasted for the years 2028-2033.</p> <p>The Pro Forma contains commercially sensitive information, which if disclosed would prejudice the Applicant’s competitive position and interfere with its negotiations with third parties. Thus, the disclosure of this information on public record will result in an undue loss to the Applicant, contrary to Appendix A(a)(i) and (iv).</p> <p>In particular, the Pro Forma reflects the Applicant’s forecasted costs, revenues and operating cash flow in the upcoming years in which the Applicant anticipates procuring services from various third-party contractors to perform engineering, procurement and construction services. Disclosure of the Applicant’s forecasted costs, revenues, and operating cash flows would provide those prospective contractors and other market participants with insight into the Applicant’s budget constraints, cost tolerances, and anticipated margins.</p> <p>If placed on the public record, this information would materially weaken the Applicant’s negotiating position by enabling third-party contractors to use the Applicant’s own internal forecasts as leverage in contract negotiations, including by anchoring pricing discussions to the Applicant’s projected expenditures or</p>
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		<p>extracting concessions that the Applicant would not otherwise be compelled to make. This would distort the competitive procurement process and result in avoidable financial harm to the Applicant.</p> <p>Further, the Board has consistently treated comparable pro forma financial statements as confidential in prior proceedings, recognizing that such information is inherently commercially sensitive and that public disclosure is generally unnecessary to the disposition of an application. The Pro Forma at issue is of the same nature and is submitted solely to satisfy the Board’s evidentiary requirements.¹¹</p> <p>Accordingly, consistent with the Board’s established practice and the considerations set out in Appendix “A” of the Practice Direction, the Applicant respectfully submits that the Pro Forma should be granted confidential treatment, as its disclosure would result in undue harm, provide no corresponding public benefit, and is not necessary for the Board’s determination of the Application.</p>
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¹¹ EB-2021-0088, Decision and Order, PUC (Transmission) LP, by its general partner PUC (Transmission) GP Inc., October 21, 2021.

The Applicant is prepared to provide copies of the Confidential Material to parties' counsel and experts or consultants to the proceeding, provided that they have executed the Board's form of Declaration and Undertaking with respect to confidentiality and that they comply with the Practice Direction, subject to the Applicant's right to object to the Board's acceptance of a Declaration and Undertaking from any person. Consistent with the Practice Direction, the Applicant is filing confidential versions of the Confidential Material and requests that such material be maintained in confidence.

8. Procedural Steps and Contact Information

The Applicant requests that the Board consider this Application by way of a written hearing. The Applicant also requests that the Board direct all correspondence with respect to this Application to:

<p>Essex Transmission LP 500 Second Line East PO Box 9000 Sault Ste. Marie, Ontario, P6A 6P2</p> <p>Mark Faught Chief Financial Officer Tel: (705) 759-0105 Facsimile: (705) 759-6510 Email: mark.faught@ssmpuc.com</p> <p>Matthew Baker Vice President Business Development, Transmission Tel: (705) 989-2527 Facsimile: (705) 759-6510 Email: matthew.baker@ssmpuc.com</p>	<p>Borden Ladner Gervais LLP Bay Adelaide Centre, East Tower 22 Adelaide St W. Toronto ON M5H 4E3</p> <p>John A.D. Vellone Tel: (416) 367-6730 Facsimile: (416) 367-6749 Email: jvellone@blg.com</p> <p>Zoë Thoms Tel: (416) 367-6661 Facsimile: (416) 367-6749 Email: zthoms@blg.com</p>
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Sincerely,

BORDEN LADNER GERVAIS LLP



Zoë Thoms