McCarthy Tétrault LLP
Suite 4000
421-7th Avenue S.W.
Calgary AB T2P 4K9
Canada
Tel: 403-260-3500
Fax: 403-260-3501

Gordon M. Nettleton
Direct Line: 416-601-7509
Email: gnettleton@mccarthy.ca

March 26, 2026

Filed on RESS

Confidential

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

CC: RegulatoryAffairs@hydroone.com

Dear Mr. Murray:

Re: Request for Confidential Treatment of Answers to Interrogatories: EB-2025-0290

We are legal counsel to Hydro One Networks Inc. ("**HONI**"), who is the Applicant in the above-referenced proceeding. HONI has, pursuant to Rule 10 of the Ontario Energy Board's ("**OEB**") Rules of Practice and Procedure (the "**Rules**") and the OEB's Practice Direction on Confidential Filings dated December 17, 2021 (the "**Practice Direction**"), requested confidential treatment of certain information contained in its responses to interrogatories as follows:

IR	Response or Exhibit, and the information for which confidential treatment is being requested	Rationale
OEB Staff 8	Attachment 1	Contains information regarding the calculation of the Project's annual line losses that is highly confidential and commercially sensitive, and that public disclosure could reasonably be expected to prejudice the economic interest and competitive position of HONI (Appendix A of the Practice Direction).
OEB Staff 11	11(f),(g),(i), (j) and (k)	Presumptively confidential category: Engineering, Procurement and Construction ("EPC") contract information, which includes unit pricing of a third party and billing rates of a third party (Appendix B of the Practice Direction).

Pursuant to Practice Direction 5.1.4(c), HONI has provided a confidential, unredacted version of the referenced documents, including all information for which confidentiality is claimed. In accordance with subsection 6.1.2, 6.1.4 and 6.1.7 of the Practice Direction and subsections 10.01 and 10.02 of the Rules, HONI has proposed that the confidential versions of its responses to OEB staff interrogatories OEB Staff-8(Attachment 1) and OEB Staff 11(f),(g),(i), (j),and (k) be disclosed to only counsel for OEB Staff from whom the OEB accepts a Declaration and Undertaking. An electronic copy of these responses has been submitted using the OEB's Regulatory Electronic Submission System.

Yours very truly,

McCarthy Tétrault LLP

Gordon M. Nettleton
Partner | Associé

OEB STAFF INTERROGATORY - 11

Reference:
Exhibit B-7-1, Pages 2-3

Preamble:
In the Reference, Hydro One stated that the Project cost estimate is based on a fixed price EPC contract, and the selection of the EPC contractor used a two-stage process that is variant but ultimately akin to the OEB-approved ECI-EPC project delivery model.

Interrogatory:

a) Please clearly describe the two stages of the process noted in the Preamble. (Please clearly list the steps taken in each stage.)

b) Please indicate which part(s) of and how the process is variant to the OEB-approved ECI-EPC project delivery model.

c) Please discuss how the EPC contractor was selected among different EPC contractors. Please include a list of the specific functions the contractors were assessed on.

d) Please discuss how Hydro One determined that utilizing the successful contractor's bid is more cost-effective than Hydro One performing the work itself.

e) In the EPC selection process, how many contractors were qualified under Stage 1? Please list all contractors that were considered qualified.

f) How many contractors submitted bids in Stage 2 of the process? Please provide the cost quotes in the proposals received by each bidder in Stages 2 and explain how the final proposal was selected.

g) Please clarify how the Project cost was estimated based on the fixed price EPC contract, and why the cost estimate reflects market price.

h) Please provide a list of early activities the contractor will be conducting that require a long lead procurement process.

i) Please provide details on how cost overruns will be handled between Hydro One and the selected contractor.

j) Please provide a breakdown of the fixed price EPC contract by line costs and station costs.

k) What is the magnitude of the EPC contract as a percentage of the total Project cost?

Response:

a) Stage 1 – ECI/Development
Stage 2 – EPC Selection and Execution

As per previous Hydro One responses in EB-2023-0198 Exhibit I, Tab 1, Schedule 19 a), The ECI-EPC model adopted by Hydro One for this Project is designed to involve the contractor into the development and design phases earlier than Hydro One's standard EPC model. Doing so is intended to provide a more efficient and effective approach as the Project proceeds through these stages and into the Project's construction phase. Continuity within these stages is particularly important for larger scale and complex projects such as the WTPL Project.

The initial stage of the ECI-EPC process is for Hydro One to leverage the external owner's engineer to assist Hydro One with the qualification of potential EPC bidders based on experience and capacity to perform many of the development functions that under the standard Hydro One EPC delivery model which would be performed internally by Hydro One. At this stage, a variant to previous ECI-EPC was required to select a single potential vendor due to unique land corridor constraints to limited engineering solutions, as described in Exhibit I, Tab 1, Schedule 11 b) below.

The second stage of the ECI-EPC model was utilized by having the contractor on board early in the development phase for greater involvement in the Project scoping, engagement with rightsholders and stakeholders, and evaluating risks and opportunities (including preparing potential solutions and mitigation measures). This contractor involvement allowed for better human resource allocation and allows Hydro One to utilize its internal resources in more efficient and effective ways. The contractor involvement also provides Hydro One with the opportunity to evaluate the EPC contractor's contributions and work relationship to this particular project prior to entering into the more substantive construction contract.

In the final stage, Hydro One was able to utilize the initial stage to tailor contract terms appropriately and at a time that is advantageous to the project schedule, cost and scope.

This modified ECI-EPC is similar to well established collaborative contracting methodologies used in public procurement in many jurisdictions and industries.

b) Due to constraints on the land corridor and regional system needs, it was determined in consultation with the Owners Engineer at the first stage of the ECI-EPC model that a single contractor, that was successfully executing the St. Clair Transmission Line (SCTL) Project, would be appropriate for this project. This allowed Hydro One to leverage similar project elements of pre-existing work in the region to be very responsive to local and regional system needs based on IESO needs, and to accommodate the stakeholder feedback in the region.

Costs were developed from an agreed-to open book process with full transparency on the procurement process, as well as the bottom-up estimation process, including production rates and crew composition. There was extensive focus to validate the contractor's estimate against market benchmarks, and analysis supported from the Owner's Engineer. From a cost perspective, the contractor agreed to open book negotiations for the contract pricing and commercial terms. Competitive tension has been maintained via competitive procurement at the sub-tier level (subcontractor and material procurement). Key components and outcomes of the ECI-EPC process have been maintained throughout.

This modified ECI-EPC is similar to well established collaborative contracting methodologies used in public procurement in many jurisdictions and industries.

c) Initially, a number of potential EPC contractors were considered that have proven to be successful ECI-EPC vendors to Hydro One in the past.

The WTPL project would require a solution to construct a new double circuit 230kV transmission line within a confined nominal-30m right of way. In addition, for Section B, it is required to confine a triple circuit transmission line, as well as a temporary 115kV bypass line within the same confined right of way.

Feedback from the IESO[1], as well as stakeholders and rights holders[2] were aligned with re-using the A3C/D3A corridor for the new transmission line.

At the time, Hydro One was working with a contractor, on another project in the area, who had successfully designed a technical solution to confine a double circuit 230kv line into a 30m right of way and had demonstrated finding innovative technical solutions to similar problems. A standard solution would require significant widening of the existing corridor which would greatly increase the land acquisition costs, timelines, and may not be feasible. Due to regional requirements and constraints, the

[1] See Exhibit H-1-1, IESO IRRP – Section 7.4.1
[2] See WTPL Environmental Assessment, Table 3-5, second comment.

IESO explicitly recommended the re-use of sections of the A3C/D3A corridor that resulted in a triple circuit arrangement (Section B) which necessitated an evolution of the solution to confine the double circuit 230kv line into the existing 30m right of way.

Similar 30m right-of-way solutions were provided in the SCTL project, and as such, this provides Hydro One confidence in the contractor to deliver similar technical solutions to meet the constraints of this project.

Finally, the entire process considers time constraints to meet the in-service date required by the system. Therefore, to leverage the existing solution and expertise, Hydro One selected the contractor that developed the solution to confine a double circuit 230kV transmission line within a 30m right of way on SCTL.

To achieve potential savings that could be harvested in a multi-ECI approach, the EPC contractor agreed to an open book bidding process with Hydro One.

d) Hydro One leverages a procurement model that enables contractors (EPC or other) to be engaged early in the project lifecycle to enable integration of design development and construction planning, with other regulatory activities, resulting in a bespoke and refined solution for the execution phase. The contractors are compensated, at cost, for their participation in the development phase.

As described in c), the EPC contractor has existing major work within the area of the province. It was determined that existing ongoing work, and the technical solution developed on that project could be leveraged to deliver efficiencies on WTPL. As mentioned in Exhibit I, Tab 1, Schedule 11 c), due to similar project elements, Hydro One's contractor demonstrated the tailored-made solutions to meet project constraints similar to that in the SCTL project, and as such, provides a more cost-effective solution to meet the needs of the WTPL project. Hydro One leveraged our knowledge and experience developed on SCTL to efficiently find a technical solution to address the constraints on WTPL.

Costs were developed from an agreed-to open book process with full transparency on procurement process, as well as the bottom-up estimation process, including production rates and crew composition. There was extensive focus to validate the contractor's estimate against market benchmarks, and analysis supported from the Owner's Engineer. From a cost perspective, the contractor agreed to open book negotiations for the contract pricing and commercial terms. Competitive tension has been maintained via competitive procurement at the sub-tier level (subcontractor and material procurement). Key components and outcomes of the ECI-EPC process have been maintained throughout.

The modified ECI-EPC model with open book process described above was utilized. This allowed a solution to re-use the A3C corridor incorporating an alternative design that confined a double circuit 230kv line into a 30m right of way in Section C, as well as re-use of the A3C/D3A corridor to confine a triple circuit and 115kV bypass line within the same 30m right of way in Section B. Furthermore, utilizing the modified ECI-EPC process allowed Hydro One and the EPC to appropriately identify and allocate risks between the parties and utilize effective and appropriate solutions to meet the needs of the system.

e) Hydro One reviewed our list of transmission line Qualified Service Providers that are used for the ECI-EPC delivery model. From Hydro One's past experience of working extensively with these contractors and the recent experiences on the SCTL project, Hydro One selected this specific EPC contractor as they had demonstrated the skills required to meet the unique constraints on this project.

f) [redacted]

h) Below is a listing of early activities the contractor will be conducting that require a long lead procurement process:
   - Field activities requiring access to the transmission line right of way, requiring access to the full transmission line right of way:
     - Accessing the transmission line right of way to conduct field studies to support timely construction permit applications
     - Geotechnical investigation at tower locations to support final foundation design
   - Procurement of transmission line conductor
   - Procurement of structural steel for transmission line towers
   - Procurement of steel for transmission line tower and station foundations
   - Procurement of transmission line tower hardware
   - Procurement of long lead major equipment (e.g., disconnect switches, PCT Building)

i) [redacted]

[redacted]

This page has been left blank intentionally.