Ontario Energy Board | Commission de l'énergie de l'Ontario

DECISION AND ORDER

EB-2026-0003

HYDRO ONE NETWORKS INC.

Application for leave to reconstruct an electricity transmission line and associated facilities in the City of London

BY DELEGATION, BEFORE: **Musab Qureshi**
Manager
Electricity Supply

April 21, 2026

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1 OVERVIEW

This is a Decision and Order of the Ontario Energy Board (OEB) on an application filed by Hydro One Networks Inc. (Hydro One) for leave to construct transmission facilities in the City of London, which would involve the reconstruction of an approximately 4 km section of an existing 230 kV single-circuit transmission line (M31W) between Buchanan Transformer Station and Old Victoria Road Junction (the Project). Hydro One also sought approval of the forms of land use agreements it has offered, or will offer, to landowners affected by the Project.

For the reasons provided in this Decision and Order, the OEB finds that the Project is in the public interest and grants Hydro One's application for leave to construct the Project. The OEB's examination includes the Project need, alternatives, costs, customer impacts, reliability and quality of electricity service, economic growth, and land matters.

The OEB also approves the forms of land use agreements that Hydro One has offered, or will offer, to landowners affected by the Project. The leave to construct is subject to the OEB's conditions of approval, attached as Schedule B to this Decision and Order.

2 CONTEXT AND PROCESS

On January 30, 2026, Hydro One applied for an order under sections 92 of the *Ontario Energy Board Act, 1998,* (OEB Act) for leave to construct electricity transmission facilities in the City of London. Specifically, Hydro One proposed to reconstruct approximately 4 km of an existing 230 kV single-circuit transmission line (M31W) between Buchanan Transformer Station (TS) and Old Victoria Road Junction, with minor modifications to line protection settings at the Buchanan TS and Middleport TS terminal stations. A map showing the location of the Project is attached as Schedule A to this Decision and Order.

Hydro One also applied to the OEB under section 97 of the OEB Act for approval of the forms of land use agreements it has offered, or will offer, to impacted landowners. Hydro One requested that the application be decided without a hearing.

The OEB issued a Notice of Application on February 23, 2026, giving the public an opportunity to request a hearing. The OEB did not receive any requests for a hearing. The OEB is disposing of this matter without a hearing.

3 DECISION

Section 92 of the OEB Act provides that leave of the OEB must be obtained for the construction, expansion or reinforcement of electricity transmission lines.

Under section 96(1) of the OEB Act, if the OEB finds that the construction, expansion or reinforcement of an electricity transmission line is in the public interest, it shall make an order granting leave to carry out the work.

Section 96(2) limits the scope of the OEB's review in determining whether the proposed work is in the public interest to:

1. The interests of consumers with respect to prices and the reliability and quality of electricity service.

2. Supporting economic growth in a manner consistent with the policies of the Government of Ontario.

Section 97 of the OEB Act states that leave shall not be granted under section 92 until the applicant satisfies the OEB that is has offered or will offer to each owner of land affected by the approved route or location an agreement in a form approved by the OEB.

The OEB's findings on the Project's need and alternatives, costs, impacts on prices, impacts on reliability and quality of service, support for economic growth, land matters, and conditions of approval are addressed below.

3.1 Project Need and Alternatives

Hydro One states that the Project is consistent with the Independent Electricity System Operator's (IESO's) recent bulk and regional planning reports. The need for the Project is driven by the growing electricity demand in the London Area, consistent with the load growth assumptions outlined in the IESO's Central-West Bulk Plan dated April 2024.

Hydro One notes that the Project will relieve the transfer capability restrictions and increase supply capability by approximately 300 MW. This additional capacity represents a significant portion of the next increment of "potential load" in the London Area beyond the firm load (i.e., approximately 900 MW in total), as identified in the IESO's Central-West Bulk Plan.

In studying how to meet the system needs in the area, the IESO considered the addition of the least-cost, non-emitting resource alternatives that are capable of supplying the

magnitude of energy and capacity required. This includes a combination of wind and battery energy storage systems. The IESO evaluated alternatives across three aspects: cost, resource adequacy, and transmission feasibility. The results indicate the transmission reinforcement is the most cost-effective and practical option. In alignment with the IESO's recommendation, no other project alternatives were considered by Hydro One.

Further evidence supporting the need for the project is provided in the IESO report titled, "*Supplemental Evidence to Support the Need for the M31W Reinforcement Project*", dated December 2025, which is included in the application. This report supplements the 2024 Central-West Bulk Plan by providing evidence on the linkages between the Project and recent bulk and regional plans for Southwestern Ontario.

Hydro One submits that the Project is appropriately categorized as a non-discretionary project as it is being undertaken in accordance with direction from the IESO in the regional planning process. Consistent with this classification, the Project it will increase the supply transfer capability of the bulk system and maintain load security in the London Area.

Hydro One also undertook an analysis of the conductor size alternatives that would address the needs of the Project while maintaining the reliability and integrity of the transmission system. Two conductor options were evaluated: (1) a 1433.6 kcmil ACSS/TW conductor and (2) a 1192.5 kcmil ACSR dual-conductor bundle.

The total annual cost for the first alternative is around $1.9 million, while the cost for the second alternative is $2.6 million. This evaluation accounted for net capital costs and annual cost of losses (e.g., transmission line losses). The analysis concluded the 1433.6 kcmil ACSS/TW conductor is the more economical option and is therefore proposed for the Project by Hydro One.

Findings

The OEB finds that Hydro One has demonstrated the need for the Project in order to meet the IESO's forecasted load growth in the London Area.

The Project is a non-discretionary development project. It is aligned with the conclusions reached in the IESO's recent bulk and regional planning reports and is required to continue reliable electricity supply to the London Area.

The OEB finds that the 1433.6 kcmil ACSS/TW conductor selected by Hydro One is appropriate, as the more economical option between the two conductor size alternatives.

3.2 Project Costs

The estimated total cost of the Project is $16.2 million, including $0.8 million for cost of removals. The cost estimates are based on a project definition equivalent to a Class 3 (with a range of -20%/+30%) under the American Association of Cost Engineering (AACE) International estimate classification system.

Table 1: Project Components and Estimated Cost

Component	Estimated Cost ($000's)
Materials	$5,054
Labour	$3,785
Equipment Rental and Contractor Costs	$2,597
Sundry	$252
Contingencies	$1,610
Overhead	$1,830
Allowance for Funds Used During Construction	$195
Real Estate	$50
Total Capital Cost (excluding cost of removals)	**$15,373**

Hydro One has identified the following project risks:

- Outage Constraints/Weather Delays: There are potential competing transmission system outages due to weather and environmental reasons.
- Subsurface Conditions: Environmental conditions may require additional mitigation that could have a cost impact and delay or stop construction progress.
- Procurement: There are materials that potentially have long lead times or price increases.

Hydro One has completed the following to mitigate the identified risks:

- Factored outage planning in the development and scheduling phase of the Project.
- Performed preliminary studies and testing to identify subsurface conditions in order to develop implementation plans to address the subsurface conditions.
- Initiated procurement of materials with long lead times prior to the construction of the Project.

Hydro One also presented three comparable projects where existing 115 kV transmission lines were upgraded to 230 kV transmission lines. The following table is a summary of Table 2 provided in the application.[1]

Table 2: Normalized Line Cost with Comparable Projects

	Barrie Area Transmission Upgrade	Guelph Area Transmission Refurbishment	Woodstock Area Transmission Reinforcement	M31 Reinforcement (Project)
Approximate Length	9 km	5 km	13.6 km	4 km
Location	Central Ontario	Southwest Ontario	Southwest Ontario	Southwest Ontario
Project Surroundings	Mostly Rural	Urban	Urban-Rural	Rural
In-Service Year	2023	2016	2012	2027
Total Cost	$34.3M	$23.5M	$35.6M	$15.3M
Comparable Costs	$31.7M	$21.7M	$30.1M	$15.3M
Escalation Adjustment[2]	$4.4M	$7.3M	$44.2M	--
Cost/km	**$4.0M/km**	**$5.8M/km**	**$3.2M/km**	**$3.8M/km**

For the purposes of identifying comparable costs, Hydro One notes that costs associated with the stringing of the second 230 kV circuit on the double-circuit tower structures, the temporary line bypass arrangements, and real estate costs were not included. Hydro One did not undertake a comparison of the station work, as it is less than 1% of the total project cost and does not meet the materiality threshold.

Findings

The OEB finds the estimated Project cost of $16.2 million to be reasonable. This conclusion is based on Hydro One's use of AACE Class 3 estimating standards and the fact that the Project cost falls within the range of three comparable transmission line projects. In particular, the Project's cost per kilometre is near the lower end of the range observed for comparable projects.

3.3 Impact on Price of Electricity Service

Hydro One proposes to allocate 100% of the cost responsibility to the network pool. The Project will reconstruct a section of the existing transmission line between Buchanan TS

[1] Exhibit B-7-1, page 5, table 2.
[2] Inflation adjustments using the OEB's annual inflation parameters for electricity transmitters.

and Middle port TS, which are both network stations. The Project also addresses the aforementioned system needs identified by the IESO. Hydro One further submits that no customer contributions are required because the Project is not driven by any specific customer load application.[3]

Over a 25-year time horizon, Hydro One's evidence is that rates will decrease, assuming the load forecast that supports the Project's need. Based on Hydro One's 2026 transmission revenue requirement and the 2025 Ontario Uniform Transmission Rate (UTR) Schedules, Hydro One states that allocating the Project's costs to the network pool will reduce a typical residential customer's bill by approximately $0.14 per month once the Project comes in-service in 2027. The following table shows the bill impact, considering the demand forecast.

Table 3: Project impact on typical residential customer bill

A	Typical monthly bill	$153.95 per month
B	Transmission Component of monthly bill	$17.27 per month
C	Line Connection Pool share of Transmission component	$1.60 per month
D	Transformation Connection Pool share of transmission component	$5.42 per month
E	Network Connection Pool share of Transmission component	$10.25 per month
F	Impact on Network Connection Pool Provincial Uniform Rates, year 15 and onwards	-1.41%
G	**Change in Transmission Costs for typical monthly bill** (E x F)	**-$0.14 per month** -$1.74 per year
H	**Net Change on typical residential customer bill** (H / A)	**-0.09%**

Findings

The OEB finds the consumer impact of the Project to be appropriate given the need for the project costs and expected impact on transmission rates. In making this finding, the OEB has taken into account Hydro One's evidence that, over a 25-year horizon, the Project is expected to result in a small decrease to the UTR network service rate.

The OEB also finds that Hydro One's proposed allocation of Project costs to the network rate pool to be appropriate.

[3] Exhibit B-9-1, page 1.

3.4 Impact on Reliability and Quality of Electricity Service

Hydro One filed the final System Impact Assessments (SIA) prepared by the IESO. The Final SIA finds that the Project will not have any material adverse impact on the reliability of the integrated power system, provided all requirements in the report are met. Hydro One states that it will implement the requirements noted by the IESO in the SIA.

The Customer Impact Assessment (CIA) filed by Hydro One concluded that the Project will have no material adverse impact on the reliability of the transmission-connected customers in the area.

Findings

The OEB accepts the findings of the SIA and the CIA that the Project is expected to have no material adverse impact on the reliability of the integrated power system and have no material adverse impact on transmission-connected customers in the area. This is subject to the condition that all of the IESO's requirements within the SIA are implemented.

3.5 Economic Growth

The OEB's filing requirements for electricity transmission leave to construct applications provide that where an applicant asserts that a project will support economic growth, the applicant should provide evidence supporting this assertion and an indication of the economic growth policies of the government of Ontario that are relevant to the project.[4]

In the application, Hydro One did not assert that the Project will support economic growth. As such, the OEB does not make any specific finding on this issue. However, the OEB's related findings that Hydro One has demonstrated the need for the Project in order to meet the IESO's forecasted load growth in the London area region, and that the Project is a non-discretionary development project, are outlined in this decision in section 3.1, Project Need and Alternatives.

3.6 Route Maps and Land Agreements

Hydro One filed a map of the route for the Project with the application. For leave to construct applications, the OEB requires the applicant to file a map showing the general

[4] *Filing Requirements for Electricity Transmission Applications: Chapter 4 – Leave to Construct and Related Matters under Part VI of the Ontario Energy Board* Act, section 4.3.2.4

location of the proposed facilities, the plane of each section of the transmission line, right-of-way dimensions, and an indication of where the route crosses privately owned land, as applicable.[5]

The existing transmission corridor is exclusively situated on Bill 58 (Infrastructure Ontario) lands owned by the Province of Ontario, to which Hydro One holds a statutory easement. Hydro One does not contemplate the acquisition of any new permanent land rights for the Project.

Hydro One filed forms of land use agreements offered or to be offered to affected landowners pursuant to Section 97 of the Act. Specifically, Hydro One filed forms of an Off Corridor Access agreement and a Damage Claim Agreement/Waiver. Hydro One stated that temporary access land rights across private lands may be required for access roads, temporary work headquarters, and/or laydown/material areas, and these rights will be negotiated and acquired as and when needed.

Findings

The OEB finds that the route maps submitted by Hydro One meet the OEB's requirements.

The application does not require new land rights or land acquisition, as the Project utilizes an existing transmission corridor exclusively situated on lands owned by the Province of Ontario.

The OEB finds that the forms of land use agreements offered or to be offered to affected landowners for temporary off-corridor access are appropriate. These forms of agreement are consistent with forms of agreement that have been approved by the OEB in previous leave to construct applications.

3.7 Conditions of Approval

Under subsection 23(1) of the *OEB Act*, the OEB may, in making an order, impose such conditions as it considers proper. As set out in the OEB's *Filing Requirements for Electricity Transmission Applications, Chapter 4 – Leave to Construct and Related*

[5] *Filing Requirements for Electricity Transmission Applications: Chapter 4 – Leave to Construct and Related Matters under Part VI of the Ontario Energy Board* Act, section 4.3.3.3

Matters under Part VI of the Energy Board Act, the OEB has outlined a typical set of standard conditions of approval.[6]

Findings

The OEB approves the leave to construct the Project with no hearing subject to the conditions attached as Schedule B to this Decision and Order. As part of its application, Hydro One consented to the OEB's standard conditions of approval for electricity transmission leave to construct applications applicable to this Project.[7]

[6] The typical set of standard conditions of approval is available in Schedule 1 of the Section 92 Leave to Construct Issues List, available here.
[7] Exhibit B-1-1, page 4.

4 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Hydro One Networks Inc. is granted leave, pursuant to section 92 of the OEB Act to reconstruct approximately 4 km of 230 kV single-circuit transmission line (M31W) between Buchanan TS and Old Victoria Road Junction within the City of London, as described in the application.

2. Hydro One Networks Inc. is granted leave, pursuant to section 92 of the OEB Act to construct minor modifications to the 230 kV transmission line protection settings at the terminal stations, Buchanan TS and Middleport TS, as described in the application.

3. Leave to construct is subject to Hydro One Networks Inc. complying with the Conditions of Approval set forth in Schedule B.

4. The OEB approves the proposed forms of agreements that Hydro One Networks Inc. has offered or will offer to each owner of land affected by the Project.

DATED at Toronto April 21, 2026

ONTARIO ENERGY BOARD

Ritchie Murray

Digitally signed by Ritchie Murray
Date: 2026.04.21 16:13:32 -04'00'

Ritchie Murray
Registrar

SCHEDULE A

DECISION AND ORDER

HYDRO ONE NETWORKS INC.

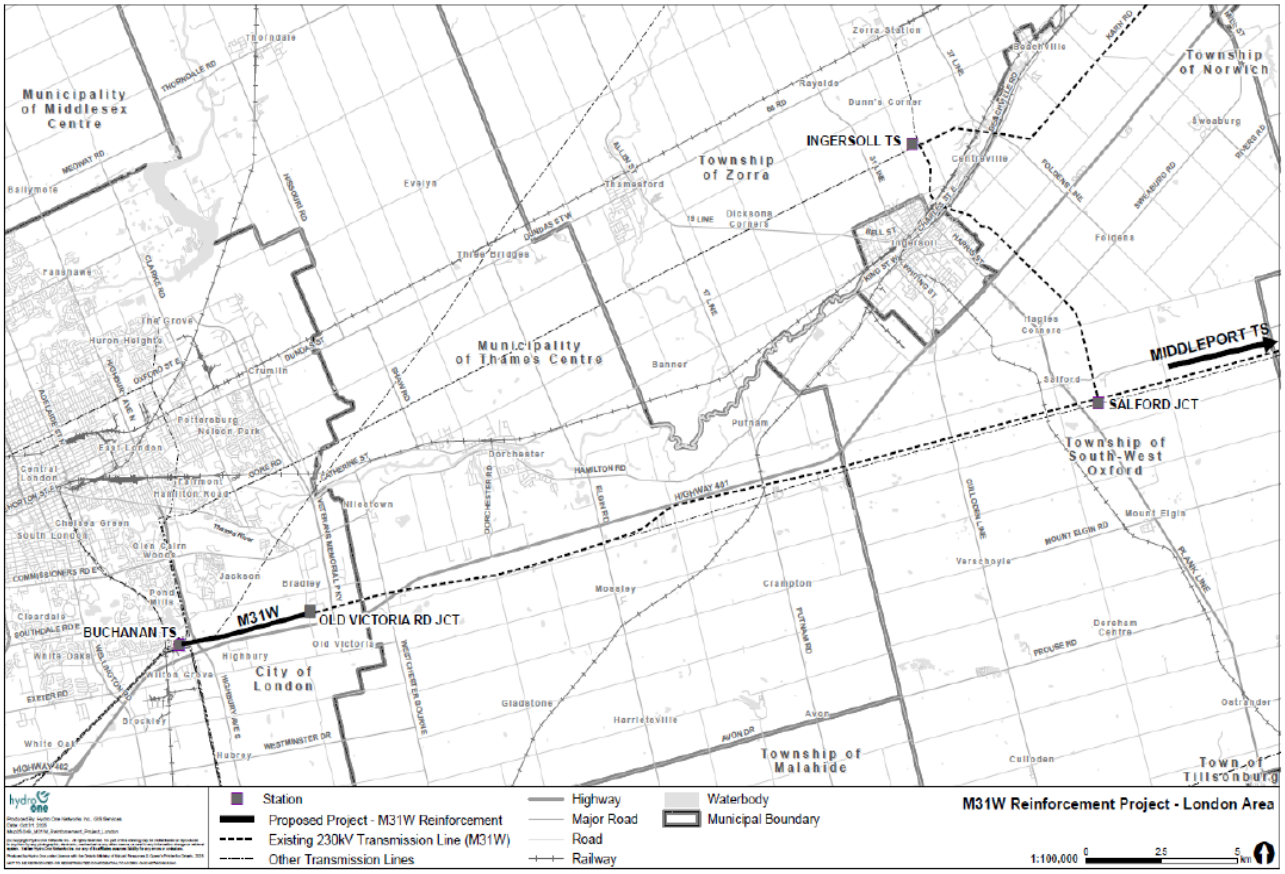
EB-2026-0003

APRIL 21, 2026

SCHEDULE A – M31W REINFORMACEMENT

PROJECT MAP

EB-2026-0003



SCHEDULE B

DECISION AND ORDER

HYDRO ONE NETWORKS INC

EB-2026-0003

APRIL 21, 2026

SCHEDULE B – CONDITIONS OF APPROVAL

FOR ELECTRICITY LEAVE TO CONSTRUCT APPLICATIONS

HYDRO ONE NETWORKS INC

EB-2026-0003

1. Hydro One Networks Inc. shall fulfill any requirements of the SIA and the CIA, and shall obtain all necessary approvals, permits, licences, certificates, agreements and rights required to construct, operate and maintain the project.

2. Unless otherwise ordered by the OEB, authorization for leave to construct shall terminate 12 months from the date of the Decision and Order, unless construction has commenced prior to that date.

3. Hydro One Networks Inc. shall advise the OEB of any proposed material change in the project, including but not limited to changes in: the proposed route, construction schedule, necessary environmental assessment approvals, and all other approvals, permits, licences, certificates and rights required to construct the project.

4. Hydro One Networks Inc. shall submit to the OEB written confirmation of the completion of the project construction. This written confirmation shall be provided within one month of the completion of construction.

5. Hydro One Networks Inc. shall designate one of their employees as project manager who will be the point of contact for these conditions, and shall provide the employee’s name and contact information to the OEB and to all affected landowners, and shall clearly post the project manager’s contact information in a prominent place at the construction site.