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May 6, 2026

By Email and Filed on RESS

Mr. Ritchie Murray
Registrar
Ontario Energy Board
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto ON M4P 1E4

Dear Mr. Murray

**Re: Hydro One Networks Inc. (HONI)- Leave to Construct and Expropriation
Application –Welland Thorold Transmission Line Project (“Project”), EB-2025-
0290 – Reply Submission**

We are legal counsel to Hydro One Networks Inc. (“Hydro One”) in the above-referenced proceeding. In accordance with Procedural Order No.3, please find enclosed Hydro One’s final argument and reply submissions to those received from OEB Staff, the City of Welland, and Futecan Inc.

Please do not hesitate to contact the undersigned should you have any questions regarding this matter.

Yours truly,
McCarthy Tétrault LLP



Gordon M. Nettleton
Partner | Associé

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*;

AND IN THE MATTER OF an Application by Hydro One Networks Inc. (“**Hydro One**”) pursuant to s. 92 and s. 99 of the *Ontario Energy Board Act, 1998* (the “**Act**”) for an Order or Orders granting leave to construct and expropriation application for transmission line facilities (“**WTPL**” or “**Project**”) in the Niagara Area.

AND IN THE MATTER OF an Application by Hydro One pursuant to s. 97 of the Act for an Order granting approval of the forms of land use agreements offered or to be offered to affected landowners.

**REPLY SUBMISSION OF
HYDRO ONE NETWORKS INC.**

May 6, 2026

1. INTRODUCTION

Hydro One Networks Inc. (“Hydro One”) seeks leave to construct the Welland-to-Thorold Transmission Line Project (“WTPL” or the “Project”).

The Project is a regionally planned transmission reinforcement identified through Ontario’s coordinated transmission planning framework to address reliability constraints in the Niagara transmission area and to enable substantial forecast regional demand growth.¹ The Project increases supply capability in the Welland area, decreases load security concerns affecting 115kV circuits A6C/A7C, reduces reliance on constrained 115 kV supply facilities, and supports incoming regional load growth that has been identified to be more than 700 MW through the Independent Electricity System Operator (“IESO”) regional planning process.²

The Niagara Regional Infrastructure Plan (“RIP”) process was conducted pursuant to the coordinated regional transmission planning framework established under section 3C of the Transmission System Code (“TSC”). That framework assigns responsibility for identifying regional reinforcement needs through an integrated planning process relied upon by the Ontario Energy Board (the “OEB”) in assessing transmission leave-to-construct applications.³ The Niagara Integrated Regional Resource Plan (“IRRP”) similarly identifies electrification-driven industrial demand growth within the Niagara Region and confirms that transmission reinforcement is required to support anticipated regional load expansion over the planning horizon.

The specific scope and configuration of the Project facilities in which leave is sought in this Application are required to meet the *regional* transmission system requirements identified through the IESO’s RIP process and as set out in the TSC.⁴

These initial planning and design elements inform why the Project constitutes a regionally planned transmission reinforcement that provides system-level functionality by enhancing the adequacy, reliability, and transfer capability of the integrated transmission network for the benefit of multiple users within the Niagara Region. As the facilities are designed and planned to serve a broader regional need, rather than a single customer or connection, Section 6.3.18 of the TSC applies.⁵

Based on the evidentiary record in this proceeding, the Project:

- is required in the public interest under section 96(1) of the *Ontario Energy Board Act*;
- facilitates economic growth within the meaning of section 96(2);
- represents the preferred least-cost integrated reinforcement solution identified through the IESO’s independent and objective regional planning process;

¹ EB-2025-0290, Application, Exhibit H-1-1, Attachment 1 (Niagara RIP), p. 31-32.

² EB-2025-0290, Hydro One Responses to OEB Staff IR-05(c), Staff IR-14, Staff IR-15 and Staff IR-27.

³ Transmission System Code, s. 3(c).

⁴ EB-2025-0290, Hydro One Response to OEB Staff IR-18.

⁵ Transmission System Code, s. 6.3.18.

- provides dominant system-level benefits across the Niagara transmission area; and
- should be fully recovered from the Network rate pool.⁶

Approval of the requested relief is supported by the evidentiary record and the governing regulatory framework.

All intervenors were afforded the opportunity to file evidence in this proceeding. No intervenor filed evidence challenging the conclusions of the Niagara RIP, or the forecast regional demand growth identified through the IESO planning process and subsequently augmented via the Supplemental IESO Evidence provided in this proceeding. No intervenors that filed submissions in response to Procedural Order No. 3 have opposed or objected to the necessity of the Project.⁷

Hydro One's submissions are organized to address each of the OEB's List of Issues, as set out in Schedule A to Procedural Order No. 2 in this proceeding.⁸

2. SUBMISSIONS

ISSUE 1: THE PROJECT IS NEEDED

The Project is required to maintain reliable service in the Niagara transmission area and to enable substantial forecast regional demand growth identified through Ontario's coordinated regional transmission planning framework.

The IRRP identified building a new 230kV circuit from Q24HM & Q29HM to the existing Crowland TS and converting Crowland TS to a 230kV station as the preferred wires solution following evaluation of technically feasible alternatives. The System Impact Assessment ("SIA") requests represent formal connection-stage planning indicators relied upon by the IESO within Ontario's coordinated regional transmission planning framework in determining whether transmission reinforcement is required to accommodate emerging load growth.

The RIP concluded that the Project represents the least-cost integrated reinforcement capable of addressing reliability constraints and supporting forecast regional growth requirements.⁹ Because the RIP was prepared within Ontario's coordinated regional planning framework under section 3C of the TSC, its identification of the Project configuration as the preferred reinforcement solution represents the authoritative regional transmission-planning outcome for the Niagara area rather than a discretionary transmitter planning preference.

At subpart c of Exhibit I, Tab 1, Schedule 5, Hydro One confirmed that the IESO has received SIA requests associated with prospective connections totaling more than 700 MW of step-change

⁶ *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15, Sched. B, ss. 96(1), 96(2) [*Ontario Energy Board Act*].

⁷ EB-2025-0290, Intervenor Submission of The Corporation of the City of Welland; EB-2025-0290 Futecan Canada Inc. Intervenor Submission; EB-2025-0290 OEB Staff Submission.

⁸ EB-2025-0290, Procedural Order No. 2, Schedule A (Issues List).

⁹ Exhibit H-1-1 Attachment 1, pp. 31-32.

demand growth in the Niagara region.¹⁰ As set out above, infrastructure enabling demand growth of this magnitude serves multiple present and future users and cannot reasonably be characterized as customer-specific connection infrastructure. The IRRP likewise confirms that regional transmission capability reinforcement is required to support anticipated load expansion over the planning horizon.

The WTPL Project is also appropriately understood as an initial step in enabling the broader regional growth that is coming. As described in the Application, jointly with a separate, distinct investment referred to as Crowland SS, the Project will immediately support approximately 180 MW of incremental transmission capacity while positioning the system to accommodate the larger volume of prospective growth identified through the IESO planning process.¹¹ This level of benefit, and the timing in which the benefits will flow to the transmission system, cannot be achieved by any of the other alternatives contemplated in the regional planning process.

Independent of growth considerations, the Project improves transfer capability between circuits Q24HM & Q29HM and Crowland TS, mitigates load security concerns affecting circuits A6C/A7C, and reduces reliance on constrained 115 kV supply facilities.¹² Each of these constitutes a transmission-system reinforcement benefit supporting a finding of need under section 96(1) that cannot be uniquely attributed to any customer.¹³

ISSUE 2: THE PROJECT IS THE PREFERRED SOLUTION

The Project represents the preferred integrated wires solution identified through the IESO's Niagara IRRP following evaluation of technically feasible alternatives.

The Niagara IRRP, which was further supported by the RIP, evaluated Alternatives 2 and 3 and determined that reinforcement between the cities of Thorold and Welland represents the least-cost integrated solution capable of addressing the identified regional needs.¹⁴ The RIP alternatives analyses are specifically designed to identify the lowest-cost, practical, technically feasible reinforcement capable of addressing identified system needs and represent the primary planning instrument relied upon by the OEB in assessing solution selection in leave-to-construct proceedings. This conclusion reflects the outcome of Ontario's coordinated regional transmission planning process and constitutes the strongest available evidence before the OEB respecting solution selection.

At subpart b) of Exhibit I, Tab 1, Schedule 16, Hydro One confirmed that the selected configuration represents the least-cost integrated wires solution capable of addressing the identified regional requirements.¹⁵ This information is also articulated in the RIP found at Exhibit

¹⁰ Hydro One Response to OEB Staff IR-05(c).

¹¹ Exhibit B, Tab 1, Schedule 1 p. 3.

¹² Hydro One Responses to OEB Staff IR-14, IR-15, IR-27.

¹³ *Ontario Energy Board Act*, s. 96(1).

¹⁴ Exhibit H, Tab 1, Schedule 1, Attachment 1, pp. 31-32.

¹⁵ Hydro One Response to OEB Staff IR-16(b).

H, Tab 1, Schedule 1, Attachment 1 of Hydro One's prefiled evidence. Therein, the costs of the alternatives to the Project are detailed as triple the cost of the Project and are outlined as including:

1. 115kV supply capacity needs in the area¹⁶ whereas the alternative to address the same need without load rejection schemes would be \$253M¹⁷;
2. The A6C/A7C overloading issue¹⁸ whereas the alternative to address the same need would be an incremental cost of \$23M and only increase the circuit rating from 214MW to 280MW¹⁹;
3. Crowland TS capacity and asset renewal needs²⁰ whereas the alternative to address the same need would be an incremental cost of \$78M.
4. The severity of the A6C/A7C load security issue with respect to compliance with ORTAC.

Importantly, all the costs detailed above are most comparable to preliminary AACE Class 5 cost estimates with an estimate variability range of -50%/+100%.

ISSUE 3: THE PROJECT IS APPROPRIATELY SIZED AND SCOPED

The Project reflects regional transmission system requirements rather than the needs of any single connection customer.

At Exhibit I, Tab 1, Schedule 18, Hydro One confirmed that although incremental Crowland TS forecast load growth influenced the timing of the reinforcement, the configuration of the facilities reflects the need to address broader regional system capability requirements identified through the RIP.²¹

The Project improves transfer capability in the local region, mitigates A6C/A7C-related security concerns, reduces reliance on constrained 115 kV supply facilities, and enables substantial forecast demand growth across the region.²² These are regional transmission functions and confirm that the scope of the Project is proportionate to the regional system need it addresses.

Similarly, the Project addresses transmission line losses appropriately and in accordance with Hydro One's Transmission Line Loss Guideline. OEB Staff enquired, through argument, about Hydro One's sensitivity analysis regarding energy price values of \$120/MWh.²³ To clarify this inquiry, the transmission line loss evaluation was done in accordance with Hydro One's Transmission Line Loss Guideline, which has been filed with the OEB. Consistent with similar

¹⁶ Exhibit H, Tab 1, Schedule 1, Attachment 1 – p. 31-32.

¹⁷ Ibid, Alternative 3.

¹⁸ Ibid – p. 30-31.

¹⁹ Ibid – Alternative 2.

²⁰ Ibid – p. 34-36, and p.40

²¹ Hydro One Response to OEB Staff IR-18.

²² Hydro One Responses to OEB Staff IR-05(c), IR-14, IR-15, IR-27.

²³ OEB Staff Submission, p.7

leave-to-construct proceedings²⁴, an NPV evaluation was completed using a range of energy prices to address previous intervenor concerns regarding the value attributed to transmission line losses. The sensitivity analysis utilizes a lower limit to represent the Ontario Electricity Market Price and an upper limit of \$120/MWh to represent the energy cost.

Furthermore, Hydro One reaffirms its position,²⁵ stating its intention to move forward with the alternate routing specified, and would request that the OEB approve this alternative routing.²⁶

Hydro One recognizes the City of Welland's concerns regarding potential impacts to public infrastructure.²⁷ Hydro One acknowledges its responsibility²⁸ for covering costs related to any damages to the property of affected landowners, as outlined in the standard easement agreement submitted to the OEB.²⁹

ISSUE 4: THE PROJECT COST ESTIMATE IS APPROPRIATE

RIP alternatives analyses are specifically designed to identify the lowest-cost configuration capable of addressing system needs. As aforementioned, Hydro One confirmed³⁰ that the selected configuration is the least-cost integrated wires solution capable of addressing the identified regional needs.³¹ That determination provides the appropriate benchmark for evaluating the reasonableness of the proposed cost estimate relative to the alternative solutions that could have otherwise been undertaken. The Project therefore reflects the appropriate cost outcome of the planning process.³²

The Project cost estimate reflects the least-cost integrated wires reinforcement solution identified through the Niagara RIP. As reflected in the cost comparison tables in the Application³³, the Project has unique characteristics that must be considered, related to project surroundings, a constrained (narrow) corridor, a non-linear corridor, and a triple-circuit section, as compared to previously delivered projects. After a conservative application of only the OEB's inflationary factors³⁴ and adjustment for the Project-specific characteristics, the evidence demonstrates that the forecast Project cost is reasonably in line with station cost and unit cost on a cost-per-kilometer basis when compared to other recent OEB-approved line projects.

OEB Staff posed no questions on cost increases relative to the forecast cost for the Project that was documented in the RIP. This is not a leave-to-construct filing requirement ("the Filing

²⁴ EB-2022-0140, EB-2023-0197, EB-2023-0198, EB-2023-0199, EB-2024-0155.

²⁵ Exhibit I, Tab 2, Schedule 1.

²⁶ Exhibit I, Tab 2, Schedule 1.

²⁷ EB-2025-0290, Intervenor Submission of The Corporation of the City of Welland p. 2.

²⁸ *Ontario Energy Board Act*, ss. 102.

²⁹ Exhibit E, Tab 1, Schedule 1, Attachment 4, Schedule C, Clause 1(f), p. 10.

³⁰ Exhibit I, Tab 1, Schedule, 16 subpart b).

³¹ Hydro One Response to OEB Staff IR-16(b).

³² Exhibit H, Tab 1, Schedule 1, Tab 1, Attachment 1, pp. 31-32.

³³ Hydro One Application Exhibit B, Tab 7, Schedule 1, Tables 5 and 6.

³⁴ Hydro One Response to OEB Staff IR-13 Attachment 1.

Requirements”); thus, no prefiled evidence was filed on this subject. OEB Staff asserts that Hydro One provided no evidence for the increase in the forecast cost of the Project relative to the forecast provided in the RIP.

Defining the AACE classification of the estimate underpinning the Project is a leave-to-construct filing requirement.³⁵ In the Filing Requirements, the OEB does not prescribe a specific class of cost estimate to be used in an application, thus denoting an understanding that there is a progression in the accuracy of an estimate for an investment. Estimate accuracy is refined as an investment progresses from the concept stage through the execution stage. In the concept stage, estimate accuracy is denoted as an AACE Class 5 estimate with an expected range of -50%/+100%. Conversely, closer to execution, estimate variability is more accurate. As described in Exhibit B, Tab 7, Schedule 1, the cost estimate for the Project, and similarly the Project Schedule provided at Exhibit B, Tab 11, Schedule 1, are based on a project definition equivalent to a Class 3 under the AACE estimate classification system (-20%/+30%).

As documented at Exhibit H, Tab 1, Schedule 1, Attachment 1, the RIP was dated July 12, 2023.³⁶ The costs embedded within the RIP are all preliminary cost estimates and align with an AACE Class 5 estimate (-50%/+100%) accuracy range, since the options under consideration are effectively concepts. As provided in Exhibit I, Tab 1, Schedule 9, the Final Environmental Study Report was submitted to the Ministry of Environment, Conservation and Parks on November 25, 2025.³⁷ The Notice of Commencement associated with the Class EA was not issued until November 2024, i.e., approximately 1.5 years after the RIP forecast. The RIP forecast therefore did not consider any Project considerations that would be defined by the Class EA, including, but not limited to, environmental mitigation costs, routing, and corresponding land acquisition requirements. The latter alone represents over \$40 million of the current Project forecast cost, and that is without accounting for monies held in contingency to address expropriation needs. These items, in concert with the project-specific adjustments relative to other recently approved transmission projects³⁸ (to which OEB Staff agrees are reasonable), are demonstrative of the forecast Project cost being reasonable. Similarly, consideration of forecast costs associated with activities not contemplated in the RIP’s \$128M estimate, e.g., environmental mitigation costs, routing, and corresponding land acquisition requirements, in concert with the upper range of the RIP’s \$128M forecast, i.e., \$256M, cumulatively demonstrates that the current forecast Project cost is within the expected range of the initial RIP forecast, contrary to OEB Staff’s submissions.

Hydro One also notes that OEB Staff accepts that Hydro One followed a reasonable process in developing the current estimate and supports the modified ECI-EPC and open-book approach used for the Project.³⁹ It is evident that the current estimate is not evidence of unjustified cost escalation, but rather of the normal refinement from an early planning-level estimate to a project-specific estimate supported by more detailed engineering, routing, environmental, and land-

³⁵ OEB Chapter 4 Filing Requirements – s 4.3.2.6.

³⁶ Exhibit H, Tab 1, Schedule 1, Attachment 1.

³⁷ Exhibit I, Tab 1, Schedule 9.

³⁸ Exhibit B, Tab 7, Schedule 1 p. 9.

³⁹ OEB Staff Submission, p. 12.

acquisition information. OEB Staff's comparison between the \$128 million RIP estimate and the current project estimate is not a like-for-like comparison, is without merit, and should be ignored by the OEB.⁴⁰

Hydro One also disagrees with the suggestion that it failed to explain the use of a \$120/MWh energy price in the conductor selection analysis. As Hydro One set out in Issue 3, the sensitivity analysis was included to address concerns previously raised in other leave-to-construct⁴¹ proceedings regarding the value attributed to transmission line losses, and the higher energy-price case was used as a reasonable upper bound for that analysis. Hydro One has updated its energy-pricing assumptions in Section 92 applications on a go-forward basis following prior intervenor scrutiny of those assumptions. In any event, OEB Staff itself acknowledges that the difference in NPV between the conductor options is immaterial in the context of the overall Project cost and does not take issue with Hydro One selecting the alternative that minimizes line losses.⁴²

ISSUE 5: HYDRO ONE'S PROPOSED COST RECOVERY TREATMENT IS APPROPRIATE

This Issue is central to the proceeding and the evidentiary record. Hydro One notes that OEB Staff's submission rests on an untested proportional-benefit methodology, filed in argument and without any opportunity for parties to test the reasonableness of this approach.⁴³ Hydro One submits the OEB should make its determinations based on procedurally fair and tested evidence, not untested theories advanced in argument. For the reasons set out below, the evidence in this proceeding clearly supports having all costs associated with the transmission line works of the Project recovered through the Network-pool and all costs associated with the station component of the Project recovered through the Transformation-pool as proposed in Exhibit B, Tab 9, Schedule 1.

i. Overview

The Project is serving a system need beyond the transmission capacity needs of Welland Hydro and Hydro One Distribution. This is supported by the evidence on the record including from the IESO. Fundamentally, there is tremendous load growth in the area including an updated load forecast identifying an additional and unanticipated 500 MW of load growth relative to the 2022 forecast in the IRRP. This is a significant amount of load. It cannot reasonably be attributed to specific customers. It is therefore appropriate to attribute 100% of the costs of the Project to the network pool.

Section 6.3.18 of the TSC permits the OEB to approve of the attribution of costs between the triggering customer(s) and the network pool. Hydro One is seeking approval that all line costs be attributed to the network pool. OEB Staff propose that 28.5% of all project costs be allocated to

⁴⁰ OEB Staff Submission, p. 10, 16.

⁴¹ EB-2021-0136.

⁴² OEB Staff Submission, p. 8.

⁴³ EB-2025-0290, OEB Staff Submission, p. 13-18.

Welland Hydro and Hydro One Distribution based on an OEB 2018 Notice to Amend a Code (“Notice”).

OEB Staff’s allocation methodology is not appropriate and should not be relied upon:

- It uses the Alternative Option (defined below) in an IESO IRRP as a reasonable proxy for a cost solution that would independently meet the needs of Welland Hydro and Hydro One Distribution on the one hand, and the broader regional needs on the other. The Alternative Option: (i) was not designed to serve as a cost proxy; (ii) is more expensive and would take longer to complete; and (iii) even if implemented, would require further investment to meet existing and broader regional needs. It is a misleading proxy for cost allocation purposes.
- Even if the Alternative Option were an appropriate proxy, OEB Staff make significant errors in attributing the costs in the Alternative Option. OEB Staff attribute 100% of certain costs to Welland Hydro and Hydro One Distribution even though: (i) the IESO identified system needs were also addressed by those assets; and (ii) some of the assets are at end of life and must be replaced by Hydro One Transmission in the normal course in any event.
- The Notice that OEB Staff rely on for their proposed cost allocation methodology was intended to avoid the allocation of costs to the network rate-pool where the primary purpose of a project is to serve a particular customer’s needs. That criterion is not met and the allocation methodology set out in the Notice does not apply in the circumstances:
 - The IESO has identified that the primary purpose of the Project is “to address the growing demand for electricity in the region due to economic development, particularly in the manufacturing industries”.⁴⁴
 - The IESO’s updated load forecast for the region is, by any measure, substantial and sits well-beyond the needs of any one customer.
- The proposed apportionment would nearly double Welland Hydro’s rate base with one single investment and would require a capital contribution it has estimated to exceed \$40 million. This is fundamentally out-of-step with the Provincial government’s current policy objectives and reflects a lack of appreciation for or understanding of the financial consequences of the proposed approach on Welland Hydro and similarly situated LDCs.
- OEB Staff’s position will require local distribution companies and their distribution customers to fund regionally planned transmission investments. This is inconsistent with the beneficiary pays principle. Simply put, projects designed to serve significant load growth and associated regional needs should be recovered through the network pool.

ii. This Is Not a Customer Connection- Driven Case

⁴⁴ Ibid, p. 2

Contrary to OEB Staff's submission that the load growth forecasts of the two directly connected customers at Crowland TS have triggered the Project⁴⁵, the facts are that the Project is not independently driven by a request from a single identified customer or a small group of identified customers. Rather, as established in the Introduction and Issue 1, it arises from IESO-driven regional planning, forecast load growth, broader transfer capability needs, and regional reliability requirements identified through the Niagara RIP and IRRP.⁴⁶ The Project is intended to support regional demand growth and integrated system needs across the Niagara area, not the requirements of any one current, or future customer. Given these facts, OEB Staff's proposal to allocate costs to individual customers conflicts with section 6.3.8 of the TSC which states that "a transmitter shall not require a customer to make a capital contribution for capacity added by the transmitter to a transmitter-owned connection facility in anticipation of future load growth not attributable to that customer ..."

The evidence, as documented and supported by the IESO⁴⁷, is clear that the Project is serving a system need beyond the transmission capacity needs of current transmission connected customers. Apportioning costs to the current connected customers as proposed by OEB Staff⁴⁸ would be inconsistent with section 6.3.8 of the TSC.

a) The TSC permits Board approval of full network attribution

Section 6.3.18 of the TSC expressly recognizes that infrastructure may be triggered in part by customer load growth while simultaneously addressing broader network system needs. When these situations arise, Section 6.3.18 of the TSC permits a transmitter to apply to the OEB for approval of the attribution of costs between the triggering customer(s) and the network pool. Hydro One is seeking approval that all costs be attributed to the network pool. Contrary to OEB Staff's submissions⁴⁹, Hydro One's proposal is not inconsistent with section 6.3.18 of the TSC as that section is not prescriptive on how costs must be apportioned. Hydro One's rationale for its apportionment is detailed in Exhibit B, Tab 9, Schedule 1 and further detailed or refined below in responding to OEB Staff's alternative proposal.

Hydro One further notes that its approach is fully consistent with the text of the TSC. Section 6.3.18A expressly contemplates that, where section 6.3.18 applies, the transmitter is to apply to the OEB for approval of the attribution of costs between the triggering customer(s) and the network pool. That is precisely what Hydro One has done in this leave-to-construct application. OEB Staff's submission⁵⁰ therefore overstates the consequence of section 6.3.18: the Code does not predetermine the outcome of the attribution exercise, but instead requires OEB approval of the appropriate allocation on the record of the proceeding.

⁴⁵ EB-2025-0290, OEB Staff Submission, p. 14.

⁴⁶ Transmission System Code, ss. 6.3.13-6.3.18A.

⁴⁷ Exhibit B, Tab 3, Schedule 1, Attachment 3.

⁴⁸ OEB Staff Submissions, p. 16.

⁴⁹ OEB Staff Submission, p. 16.

⁵⁰ OEB Staff Submission, p. 17-18.

OEB Staff disagrees with Hydro One's proposal. In OEB Staff's view, 28.5% of the capital cost of the Project should be borne by Welland Hydro and Hydro One Distribution and their customers. In support of that proposed split, OEB Staff relies on guidance referenced in the OEB's 2018 Notice to Amend a Code ("the Notice").

b) OEB Staff's proposed comparator is flawed

That proposed apportionment depends on the premise that the broader needs of the region can be addressed equally by either the integrated solution represented by the Project or the alternative option identified in the RIP, which consists of three distinct investments (the "Alternative Option"). That premise is flawed.

OEB Staff's apportionment methodology attributes costs based on an assessment of the benefits to the triggering customers and the network, provided under the assumption that the Alternative Option, considered and rejected at the time of the RIP, was in any event implemented.

While Hydro One would have been interested in having the opportunity to test these assumptions, one of the primary weaknesses underlying the allocation methodology is the imminent necessity for the Project and the manner in which the Project addresses the needs identified in the Niagara RIP and IRRP.

What the evidence demonstrates, and what OEB Staff have not addressed, is that the Alternative Option is a more expensive alternative, would present significant coordination and sequencing challenges, and would not address the broader regional needs as quickly or as efficiently as the Project.

In addition, the OEB Staff-accepted the IESO forecast of increased demand relative to the 2022 forecast which the IESO has outlined raises near-term reliability concerns.

It is a flawed position for OEB Staff to assert that the Alternative Option serves as some reasonable, justifiably supported baseline for apportioning costs, when the Alternative Option itself does not meet current regional needs in the way that this Project does. There is no evidence supporting the necessary proposition that the Alternative Option (a) remains as a technically viable, let alone feasible alternative and (b) a reasonable and appropriate "baseline" for cost allocation purposes.

Even if the Alternative Option was an appropriate proxy, OEB Staff incorrectly apply the line connection and station infrastructure costs in the Alternative Option to Welland Hydro and Hydro One Distribution. OEB Staff attribute 100% of the assigned line connection and transformation connection costs to the LDCs even though: (i) the IESO specifically identified those assets need to be renewed to address system reliability and future load serving needs around Crowland TS (i.e. in the Port Colborne area): "without the Project the aging infrastructure at Crowland TS and the limitations of 115 kV lines south to Crowland amplify reliability concerns for existing loads

connected to the 115 kV lines...”⁵¹ [emphasis added]; and (ii) at the existing Crowland TS is at end-of-life and requires to be replaced in the near future by Hydro One Transmission in normal course. For example, OEB Staff includes the costs of a like-for-like replacement of the existing end-of-life 115kV Crowland TS in its allocation of cost responsibility to the “triggering customers”, which is not appropriate. Furthermore, the need to upgrade the 115 kV transmission lines south to Crowland are intended to address existing load security and reliability issues rather than a specific customer request from either LDC.

In determining how the Project costs should be assessed for rate treatment purposes, one should not discount or ignore but rather acknowledge and accept the Niagara Regional benefits that are intended to be delivered by the Project as a whole, namely, reliability and system-capacity needs in the Niagara area and in response to forecast load growth.

The facts in this case are not analogous to the concerns expressed by the OEB Staff in the Notice where the objective was to avoid having costs allocated to the network rate- pool, whose primary purpose was to serve a particular customer’s needs.

The evidence is clear in this case: all forecast Project costs must be incurred in order to fully meet broader needs identified by the IESO’s RIP. This is not a project uniquely triggered by any specific customer despite the fact that the solution offered by the Project cannot be enabled without providing additional connection capacity at Crowland TS.

When the network needs are considered directly, the Project remains the most cost-effective solution for addressing those needs. As described by OEB Staff, the Alternative Option for the network would have been a new 230 kV switchyard at Allanburg TS at a Class 5 estimate cost of \$253 million. With an upper-expected-bound variability range of 100%, that forecast alone could cost the network pool \$506 million, plus additional costs for routing, environmental, and land-acquisition costs that were not considered as part of the Allanburg TS forecast included in the RIP estimate.

Even without adjusting the RIP forecast for the time value of money, the network pool is not harmed by Hydro One’s proposed allocation. To the contrary, the evidence shows that the network pool is materially better off if the Project proceeds, even if the network pool is responsible for the entire Project cost, because it bears no incremental cost for the additional ancillary benefits the Project delivers. Those benefits include long-term flexibility to accommodate further load growth in the southern portion of the Niagara region, particularly along the industrial and commercial hub around the Welland Canal, which the Alternative Option cannot provide.

While OEB Staff took no steps to explore the challenges associated with the Alternative Option, Hydro One agrees with the RIP determination that it represents a significantly more complex project and would take substantially more time to implement because it would require expansion of an operational autotransformer station. The outages required to support that expansion would

⁵¹ Exhibit B, Tab 3, Schedule 1, Attachment 1, p. 6, Supplemental Evidence to support the Need for the Welland Thorold Power Line Project, IESO, 17/11/2025.

be highly complex to coordinate while maintaining transmission reliability. This is due to the critical role of Allanburg TS and its direct connection to the Beck switchyards, which supply most of the 115 kV system capacity through 230/115 kV transformation and local 115 kV generation, respectively.

c) OEB Staff's allocation would produce a disproportionate outcome

OEB Staff's proposed allocation methodology submissions ignore rate impacts that would be imposed on Welland Hydro rate payers. As Hydro One understands OEB Staff's approach, 28.5% of the Project's costs would be allocated and recovered from "triggering customers", who in turn, would be required to (a) fund and (b) seek recovery of these costs from its ratepayers.

This apportionment to Welland Hydro would nearly double its 2025 OEB-approved rate base with one investment.⁵²

Disproportionate impacts to Welland Hydro's rates would reasonably be expected, given that Welland Hydro is not expecting a similar level of immediate load growth. Welland Hydro has submitted a letter outlining its concerns about OEB Staff's cost allocation methodology.⁵³ If the Project cannot proceed to execution, Hydro One would need to consider alternative investments that have been outlined to be triple the cost of the Project and take far longer to complete. This is contrary to the imminent needs of the system defined by the IESO to address reliability, the Province's economic growth mandate, and the affordability mandate that the OEB must balance while ensuring reliability and quality of electricity service.

Welland Hydro's response to OEB Staff's argument demonstrates the expected concerns that other similarly situated distributors would face if financing of regionally planned transmission investments is now a burden proportionally borne by connecting distributors. In these challenging and uncertain times, Hydro One encourages the Board to maintain the objectives of predictable regulatory policy and decision-making that facilitate economic growth outcomes. There is every reason for the Board to avoid the creation of market uncertainty and to confirm that projects designed to serve regional needs and benefits, should continue to be recovered through the network pool.

OEB Staff's treatment of Crowland SS further underscores the inconsistency in its overall position. OEB staff takes no position on the reasonableness of the rate impacts because it disagrees with Hydro One's proposed allocation, yet it accepts the reliability evidence, including the IESO's final SIA, and acknowledges that Crowland SS is required once loading thresholds are exceeded. If the SIA-driven need for Crowland SS is accepted as reasonable, the same record supports considering Crowland SS in the broader system-planning and economic-growth context. The need for Crowland SS, like the need for the Project itself, reflects that the Niagara Regional transmission

⁵² EB-2024-0058 - Welland Hydro's OEB-approved ratebase is \$46.1M.

⁵³ Letter of Comment of Welland Hydro Electric System Corp, May 5, 2026.

system must be developed to support, not only current reliability requirements, but also the broader economic-growth objectives now expressly relevant to the OEB's assessment.

Despite being a distinct project, Crowland SS is included in the economic assessment evidence as it is an identifiable long-term required investment associated with the Project once loading thresholds are exceeded. The Filing Requirements outline that the rate impact assessment must cover identifiable short-term impacts as well as long-term impacts of the proposed project.⁵⁴ Consequently, the maximum loading and corresponding investments necessary to achieve that loading are included in the rate impact assessment provided at Exhibit B, Tab 9, Schedule 1. Furthermore, the distinct investment in Crowland SS is a requirement of the SIA once loading thresholds exceed a defined value, and satisfying the conditions of the SIA is a standard condition of approval in any leave-to-construct application issued by the OEB.

While OEB Staff's proposed cost-allocation approach may reflect some of the context in which the 2018 Notice was issued, it is out-of-step with the Provincial government's current policy objectives. The electricity system, planning needs, and broader provincial context have changed materially over the past 8 years.⁵⁵ Applying the example apportionment from the Notice today, without regard to these changes in circumstances, would not reflect the realities of planning and building Ontario's electricity infrastructure in current conditions. It does not adequately consider the direction from the Minister of Energy to the OEB to work to "enhance the effectiveness of Ontario's current cost responsibility framework for electricity connections..." and to "expedite electricity system connections to meet the rapidly growing demand from housing growth, electrification and large industrial investors siting here in Ontario"⁵⁶

Hydro One also notes that OEB Staff's reference to "previously unanticipated 500 MW of load growth"⁵⁷ should be read in the context of the IESO Supplemental Evidence and the broader Niagara planning record. The 500 MW figure referenced is a step change relative to the high forecast scenario contemplated in the 2022 IRRP. Reality has outpaced even the 2022 IRRP high scenario forecast and the Project is imminently required. The Supplemental Evidence confirms not only that substantial growth is expected, but that the need for system reinforcement is now more concrete and immediate than it was at the IRRP stage. In that context, Hydro One's proposal to allocate the line costs to the network pool is appropriate because the Project is intended to attract and enable broad regional growth rather than to serve a single isolated customer.

iii. OEB Staff's Proportional-Benefit Calculation is Not a Tested or Reliable Basis for Disallowing Hydro One's Proposed Cost Treatment

Hydro One's primary reason for its position on cost allocation is rooted in the evidentiary record of this proceeding.⁵⁸ This Project is a regionally planned, integrated reinforcement intended to

⁵⁴ Chapter 4 Filing Requirements, s. 4.3.2.11.

⁵⁵ [OEB CEO Update to the Sector, Issued April 29, 2026](#), p. 1.

⁵⁶ [December 19, 2024 Minister of Energy and Electrification Letter to OEB Chair](#), p. 4.

⁵⁷ OEB Staff Submission, p. 5.

⁵⁸ Hydro One Response to OEB Staff IR-19(c).

meet broader system needs and support substantial forecast growth in Niagara, which is not being driven by a single customer connection project.⁵⁹ If the system capacity built by the Project is intended to support future load projections, then, the benefits are afforded to all system load customers. Under the benefits-follow-costs principle, the costs should follow those benefits and be recovered from system load customers through inclusion in Network-pool rate base and uniform rate treatment.

d) The Project's benefits are system-wide

The Project enables participation on the demand side of the electricity system by ensuring sufficient transfer capability exists to support regionally distributed electrification-driven load growth across the Niagara transmission area. Recovery of Project costs from the Network rate pool therefore reflects the system benefits of the facilities and is consistent with section 6.3.18 of the TSC, the OEB's established cost-allocation approach framework, and Ontario government objectives to facilitate economic growth, as further discussed at Issue 6. For those reasons, Hydro One's proposed network cost recovery treatment best reflects the evidentiary record, the TSC, and the Project's system-wide benefits.

The OEB Staff position reflected in its submission, that incremental load growth at Crowland TS requires customer-specific cost attribution, improperly treats a timing trigger as determinative of cost responsibility. Section 6.3.18 expressly contemplates the opposite: facilities may be triggered in part by customer load growth while simultaneously addressing broader network needs. The required inquiry is therefore one of benefit and system function, not a simplistic assignment based on which load development first made reinforcement urgent.

OEB Staff's proposed split repurposes RIP Option Set 1 planning components for a cost-attribution exercise they were not designed to perform. That approach assumes, without tested evidence, that the Option Set 1 components map neatly onto customer and network benefits and that the same percentage can properly be applied to both line and station costs. No party has had the opportunity to file expert cost-allocation evidence responding to OEB Staff's specific percentage allocation, and the OEB should be cautious about adopting a numerical formula advanced in final argument without evidentiary testing.

Nor does OEB Staff's proposed proportional-benefit split provide a proper basis for departing from Network-pool treatment on the record. The specific percentage split advanced by OEB Staff is an untested formula derived from RIP planning alternatives, not evidence developed for a cost-attribution determination under section 6.3.18. OEB Staff's model depends on treating alternative RIP planning components as though they were a precise proxy for cost responsibility under section 6.3.18. But the RIP was designed to identify a preferred integrated regional solution, not to perform a capital-contribution determination. No expert cost-allocation evidence supports adopting OEB Staff's specific percentage allocation in this proceeding, and no intervenor filed technical evidence

⁵⁹ [Energy for Generations, Ontario's Integrated Plan to Power the Strongest Economy in the G7 \(June 2025\)](#) – p. 86.

establishing that OEB Staff's proposed split accurately measures the benefits attributable to any particular customer or customer group.

In the absence of competing expert evidence on proportional-benefit attribution, the OEB should prefer the uncontested planning and system-function evidence showing that the Project is a regionally planned reinforcement with significant network benefits. Based on the evidentiary record, Hydro One's proposed cost recovery is the appropriate cost allocation.

OEB Staff's approach would also impose substantial uncertainty on the recovery of prudent, regionally planned transmission investments. In an application such as this, where the evidence points to broader planned growth, that uncertainty would risk placing disproportionate cost exposure on first movers or currently visible customers, contrary to the Province's direction that electricity infrastructure policy should not unduly burden first movers or discourage prudent, proactive investment. It is similarly impractical and counterintuitive to ignore the evidence before the OEB on this cost-effective solution and rely on other less cost-effective alternatives to inform the apportioned benefits of the Project.

Finally, OEB Staff's proposed reliance on the 28.5% / 71.5% split derived from Option Set 1⁶⁰ is inequitable. Hydro One does not currently have agreements with all prospective triggering customers, and it would therefore be unfair to impose a disproportionate cost burden on the first movers presently visible in the record, namely Welland Hydro and Hydro One Distribution, based on a planning construct that assumes a complete and stable set of benefiting customers to address broader system needs in the region. Where the evidence shows broader regional growth and multiple prospective users not yet ready to connect, attributing a large customer-specific share at this stage would not be a fair application of the beneficiary-pays principle.

If the OEB is not prepared to approve Hydro One's proposed Network-pool treatment in full, it should at minimum decline to adopt OEB Staff's proposed attribution formula on the present record. A substantial customer-contribution determination should not be imposed on the basis of an untested model without a fuller evidentiary process on attribution and capital contribution. A subsequent consultation on cost-responsibility provisions should ensue. However, Hydro One notes that doing so will likely result in the Project being delayed, costs escalating, and facilities being unavailable to support the Province's economic growth mandate.

iv. OEB has Discretion in Determining Cost Recovery

The Board's discretion and latitude in cost recovery, irrespective of functional categorization alone, is not novel. Prior OEB determinations have recognized that assets may appropriately be recovered through a broader customer pool where the facilities provide benefits extending beyond the immediate connecting customer and contribute to the operation of the provincial electricity system as a whole.

⁶⁰ OEB Staff Submission, p. 19.

For instance, the OEB has implemented cost recovery discretionary rulings in the assessment, review and ongoing operations of Cat Lake Power Utility Ltd.⁶¹ Pursuant to authority defined by section 84 of the *Ontario Energy Board Act*, the OEB ordered that the transmission assets listed in the transmitter licence⁶² of that transmitter be deemed distribution assets. Although recognizably a different set of circumstances, the example illustrates the latitude and discretion available to the OEB to define cost recovery mechanisms that either fully or in part redirect cost recovery to a pool of customers distinct from that pool that would otherwise be consistent with functional categorization of the asset.

That same principle is reflected in the PUC Transmission findings, where the OEB accepted that projected future load growth, IESO-supported planning analyses, and demonstrated broader system requirements could justify Network-pool recovery for load-triggered transmission investment. Accordingly, the central issue is the functional classification of the facility, specifically, the conclusion that the primary benefits of the transmission line accrue to the transmission system as a whole rather than to an individual customer.

The same principle applies here: the focus is not whether load growth at Crowland TS may have brought the issue forward in time, but whether the primary benefits of the Project accrue to the transmission system rather than to an individual customer.

The Project enables participation on the demand side of the electricity system by ensuring sufficient transfer capability exists to support regionally distributed electrification-driven load growth across the Niagara transmission area.

Recovery of Project costs from the Network rate pool therefore reflects the system benefits of the facilities and is consistent with section 6.3.18 of the TSC and Ontario government objectives to facilitate economic growth.⁶³

Hydro One also confirmed in its Response to subpart (c) of Exhibit I, Tab 1, Schedule 19 that future load connections enabled by the reinforcement will contribute to transmission revenues through normal cost-recovery mechanisms.⁶⁴ The Project therefore supports system participation by multiple present and future users, which is fundamentally inconsistent with treating it as infrastructure for a single customer.

ISSUE 6: THE PROJECT FACILITATES ECONOMIC GROWTH UNDER SECTION 96(2)

Section 96(2) requires the OEB to consider whether proposed transmission infrastructure facilitates economic growth in Ontario.⁶⁵ The Legislature's introduction of section 96(2) confirms

⁶¹ EB-2006-0180.

⁶² Cat Lake Power Utility Ltd. Transmission Licence ET-2002-0328.

⁶³ OEB Bulletin (Sept. 29, 2022), Allocation of Network Upgrade Costs related to Customer Connections to the Transmission System.

⁶⁴ Hydro One Response to OEB Staff IR-19(c).

⁶⁵ *Ontario Energy Board Act*, s. 96(2).

that the public-interest test applicable to transmission leave-to-construct applications now expressly includes consideration of whether proposed transmission infrastructure supports economic growth in Ontario. Therefore, the OEB now has a role to assess infrastructure timing and capability decisions in the context of whether and how they enable regional economic development and electrification-driven investment activity consistent with the government's objectives.⁶⁶

The Application demonstrates that the Project supports economic growth by responding to forecast load growth, enabling transmission infrastructure to be built on a timely basis, and allowing new customers to connect more quickly because sufficient network capacity will be available. Those benefits are central to the OEB's assessment and cannot be ignored when determining the appropriate cost allocation methodology, which will ultimately affect whether the Project proceeds. This is a new statutory objective of the OEB that has not been considered in prior leave-to-construct applications, and the OEB's decision in this proceeding will therefore provide important guidance on how the industry can ensure that electricity serves as a catalyst for economic growth rather than a constraint, consistent with the legislative change. In particular, the OEB's determination may influence whether the potential 700 MW of load identified in the IESO's Supplemental Evidence materializes as forecast, is reduced, or does not proceed at all. That latter outcome is a realistic possibility if the OEB relies in these circumstances on existing connection frameworks and guidance to assign cost responsibility based solely on functional categorization. As Hydro One explained in response to Exhibit I, Tab 1, Schedule 27, the Minister's direction in the Integrated Energy Plan ("IEP") recognizes that the existing connection frameworks do not meet the moment. The IEP states:

The province remains committed to the 'Beneficiary Pays' principle that currently underpins the connection cost responsibility framework. However, the application of this principle should not unduly burden first movers and discourage prudent, proactive investment in electricity infrastructure to meet broader provincial policy goals such as the construction of new homes, businesses and other priorities. LDCs, transmitters and their shareholders should also be kept whole, and the potential for wasted costs or under-build must be minimized to protect Ontario ratepayers.⁶⁷

As identified above, unlike other projects recently approved by the OEB⁶⁸, the Project is a prudent, proactive investment that hasn't been intentionally overbuilt strictly for the purposes of satisfying a functional categorization definition of "network" as outlined in the TSC. The Project is a catalyst for meeting electricity infrastructure needs of the future, whereby the IESO has already identified that it will be examining the sufficiency of the 230 kV bulk transmission system between Niagara, Middleport and Hamilton in the context of supporting current and future economic development and maintaining bulk transfer capacity.⁶⁹ The Project will support those examinations.

⁶⁶ Hydro One Response to OEB Staff IR-05(c).

⁶⁷ Ontario Integrated Energy Plan (2025), p. 86.

⁶⁸ EB-2023-0360 Decision and Order.

⁶⁹ Hydro One Application Exhibit B, Tab 3, Schedule 1, Attachment 1 – Section 5.

Furthermore, the Project will definitively help meet the broader provincial policy goals such as the construction of new homes, businesses, and other priorities that accord with economic growth in the Niagara area. This forecast of significant load growth in the area is outlined by the IESO. In accepting this evidence, as OEB Staff has, it is pertinent to consider that the Electricity Act has also been amended and includes a statutory objective for the IESO to support economic growth in a manner that protects the interests of consumers in the context of planning the system. These economic growth benefits are not contemplated by existing connection frameworks and TSC cost apportionment methodologies that narrowly focus on “customers” as defined by the TSC and underscore OEB Staff’s submissions.⁷⁰ These economic growth benefits flow to more than just the “customers” as defined by the TSC. The benefits are societal in nature, and the beneficiary is therefore the entire province. Costs for the Project should therefore be recovered from the network pool of customers.

Section 96(2) expressly requires the OEB to consider whether proposed transmission infrastructure facilitates economic growth in Ontario, and that statutory direction must inform the OEB’s assessment of both infrastructure timing and cost responsibility.

The Project is the initial step to support the incoming prospective demand growth that the IESO has identified of more than 700 MW associated with electrification-driven investment activity in the Niagara region and projected new customer connections.⁷¹ Infrastructure that enables demand growth of this magnitude directly supports industrial expansion and regional electrification.

The Ontario IEP confirms that transmission infrastructure must in many cases be developed in advance of confirmed connection commitments to ensure that the electricity system is capable of supporting emerging industrial activity and regional growth opportunities⁷² identified through coordinated regional planning processes.

Furthermore, the evidence before the OEB is that the Project will be delivered with the aim that the Project will ultimately be owned by a future Indigenous partnership⁷³ and has been tracked through Hydro One’s Affiliate Transmission Partnership (ATP”) Account since July 9, 2025.⁷⁴ This economic reconciliation, again, aligns with the objectives of the IEP that articulates that “advancing economic reconciliation is essential to Ontario’s energy future ...ensuring Indigenous communities share in the economic benefits of energy development is at the heart of the province’s approach.”⁷⁵ Only Hydro One’s proposed cost-attribution proposal maximizes these benefits. Pivoting to the cost attribution proposed by OEB Staff will dilute the rate base available for equity buy-in for Indigenous partners by any value that is otherwise being funded via capital contributions from directly connected customers. The OEB Staff attribution will therefore have an additional unintended consequence of diminishing economic opportunities for directly affected First Nation

⁷⁰ OEB Staff Submission, p.14.

⁷¹ Hydro One Response to OEB Staff IR-05(c).

⁷² Ontario Integrated Energy Plan (2025), Chapter 3, p. 48-52, 60-63.

⁷³ Exhibit B, Tab 10, Schedule 1.

⁷⁴ Exhibit B, Tab 10, Schedule, Attachment 2.

⁷⁵ Ontario Integrated Energy Plan (2025), Chapter 8, p. 130.

communities contrary to the aims of the IEP. Interpreting section 96(2) consistently with the coordinated regional transmission planning framework established under the TSC ensures that regionally planned reinforcement infrastructure identified through RIP and IRRP processes can proceed in advance of finalized connection commitments where necessary to support provincial economic development objectives and regional need. Furthermore, interpreting section 96(2) consistent with the aims of the IEP, ensure that Indigenous communities can share in the economic benefits of energy development.

If section 96(2) is interpreted in a way that delays the development of regionally planned transmission reinforcement infrastructure until every connection commitment is settled, it would weaken the coordinated regional planning approach used by both the Province and the OEB. Such an interpretation would introduce unnecessary uncertainty into transmission development timing and would be inconsistent with Ontario's objective of ensuring that electricity infrastructure is available to support, not penalize, prudent proactive investment, and create the opposite of the conditions the Province is seeking to foster in support of emerging economic growth opportunities as they arise.

ISSUE 7: THE PROJECT APPROPRIATELY BALANCES RELIABILITY, COST EFFECTIVENESS, AND REGIONAL PLANNING OBJECTIVES

The Project improves transfer capability in the local region, minimizes A6C/A7C-related load security concerns, reduces reliance on constrained 115 kV supply facilities, and supports incoming prospective regional demand growth identified by the IESO.⁷⁶

As aforementioned the Project represents the least-cost integrated reinforcement solution.⁷⁷ The Niagara RIP therefore represents the authoritative regional transmission planning outcome before the OEB in this proceeding and should be afforded substantial evidentiary weight in assessing both need and cost-responsibility attribution.

These characteristics demonstrate that the Project appropriately balances reliability performance, cost effectiveness, and coordinated regional planning objectives.

Hydro One highlights that the Project executes the reinforcement approach recommended by the IESO Regional Infrastructure Planning Process. No intervenor has provided evidence disputing the methodology, findings, or recommendations of the Niagara RIP. In the absence of opposing planning evidence, the OEB should give considerable weight to the conclusions of the RIP in its decision-making process.

3. CONCLUSION

⁷⁶ Hydro One Responses to OEB Staff IR-05(c), IR-14, IR-15, IR-27.

⁷⁷ Exhibit H-1-1 Attachment 1, p. 31-32.

Based on the foregoing, Hydro One respectfully submits the evidentiary record in this proceeding clearly establishes that the Welland-to-Thorold Transmission Line Project:

- is required to maintain reliable service in the Niagara transmission area;
- represents the least-cost integrated reinforcement solution identified through the IESO regional planning process;
- improves transfer capability and mitigates transmission-system load security concerns;
- enables substantial electrification-driven regional demand growth;
- constitutes regionally planned reinforcement infrastructure within the meaning of section 6.3.18 of the Transmission System Code;
- reflects proportional system benefits within the meaning of section 6.3.18 of the Transmission System Code and the OEB's established transmission cost-allocation framework; and
- facilitates economic growth consistent with section 96(2) of the *Ontario Energy Board Act*.^{78 79}

Hydro One respectfully submits that the OEB should approve leave to construct the Project and approve recovery of its costs from the provincial transmission Network rate pool.

All of which is respectfully submitted.

⁷⁸ *Ontario Energy Board Act*, ss. 96(1), 96(2).

⁷⁹ Transmission System Code, s. 6.3.18.