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**BY EMAIL AND RESS**

May 21, 2026

Mr. Ritchie Murray  
Acting Registrar  
Ontario Energy Board  
Suite 2700, 2300 Yonge Street  
P.O. Box 2319  
Toronto, ON M4P 1E4

Dear Mr. Murray,

**EB-2023-0319 – Hydro One Networks Inc.'s Northeastern and Eastern Ontario Transmission Line Projects – Bi-annual Reporting for the Period November 1, 2025, to April 30, 2026**

Please find attached Hydro One Networks Inc.'s, ("Hydro One") bi-annual reporting pertaining to transmission projects defined in Hydro One's licence and located in northeastern and eastern Ontario, jointly referred to as the Northeastern and Eastern Ontario Transmission Line Projects. More specifically, the two attached reports contain details regarding Hydro One's development activities for the new:

- 230 kilovolt ("kV") transmission line, referred to as the North Shore Link Project ("Project 1"), from Mississagi Transformer Station ("TS") to Third Line TS; and
- 230 kV transmission line, referred to as the Durham Kawartha Power Line Project ("Project 3"), from Dobbins TS to Clarington TS.

These reports cover the reporting period November 1, 2025 to April 30, 2026, consistent with the direction provided by the Ontario Energy Board ("OEB") in its letter dated December 5, 2024.

The development phase and corresponding development period reporting condition for the new 500 kV transmission line, referred to as the Northeast Power Line Project ("Project 2"), from Mississagi TS to Hanmer TS has elapsed with the filing of Hydro One's leave to construct application for the project. Accordingly, Hydro One will no longer detail this project in these bi-annual development period reports.

An electronic copy of the bi-annual reports for the Northeastern and Eastern Ontario Transmission Line Projects has been submitted using the OEB's Regulatory Electronic Submission System.

Sincerely,



Pasquale Catalano



**North Shore Link Transmission Line Project**  
(From Mississagi TS to Third Line TS)

Ontario Energy Board Progress Report

November 1, 2025, to April 30, 2026

## EXECUTIVE SUMMARY

On November 14, 2023<sup>1</sup>, the Ontario Energy Board (“OEB”) amended Hydro One Network Inc.’s (“Hydro One”) transmission licence (ET-2003-0035) to include a requirement for Hydro One to develop and seek approvals for three new transmission projects located in Northeastern and Eastern Ontario (collectively referred to as the “Projects”) in accordance with the recommendations of the Independent Electricity System Operator (“IESO”) as per the directive approved by the Lieutenant Governor in Council on October 19, 2023, as Order in Council (“OIC”) No. 1532/2023<sup>2</sup>.

Hydro One’s guiding recommendations for the Projects are primarily driven by two IESO bulk planning reports as documented in Hydro One’s letter to the OEB on October 31, 2023<sup>3</sup>.

The line component of each of the Projects is expected to be owned by, and included in the rate base, of new partnership entities that will be licenced separate from Hydro One. The line costs will be included in the Affiliate Transmission Projects Account (“ATP Account”) and will not form part of Hydro One’s rate base. On November 21, 2023<sup>4</sup>, Hydro One notified the OEB that it intends to begin using the ATP Account for tracking the costs of the new projects, in the same manner as those already approved in EB-2021-0169 and EB-2022-0142. The associated station work for the Projects is expected to form part of Hydro One’s future transmission rate base.

On December 5, 2024<sup>5</sup>, the OEB requested Hydro One prepare semi-annual project update reports detailing the budget, timing and risks associated with the development of the Projects. This document includes the Project reporting for the North Shore Link Project, (or “Project #1”) of the three new transmission projects stemming from the forementioned OIC. The North Shore Link Project is a new double-circuit 230 kV transmission line spanning from Mississagi Transformer Station to Third Line Transformer Station, including associated station facility expansions or upgrades required at the terminal stations.

During this reporting period (November 2025 to April 2026) Project development work continued on the Environmental Assessment (“EA”), engineering and the competitive procurement process which is designed to secure a fixed priced engineering, procurement, and construction (“EPC”) contract for both the transmission line and stations work.

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<sup>1</sup> EB-2023-0319 OEB’s Decision and Order on Hydro One’s Tx Licence, dated November 14, 2023:

<https://www.rds.oeb.ca/CMWebDrawer/Record/822747/File/document>

<sup>2</sup> Order in Council O/C No. 1532/2023 and Minister’s Directive, dated October 19, 2023:

<https://www.oeb.ca/sites/default/files/Order-in-Council-Directive-hydro-one-amendment-20231019.pdf>

<sup>3</sup> EB-2023-0319 Hydro One’s Letter to the OEB, dated October 31, 2024:

<https://www.rds.oeb.ca/CMWebDrawer/Record/870805/File/document>

<sup>4</sup> EB-2023-0319 Hydro One’s ATP Account Notification Letter to the OEB, dated November 21, 2023:

<https://www.rds.oeb.ca/CMWebDrawer/Record/823665/File/document>

<sup>5</sup> EB-2023-0319 OEB’s Letter to Hydro One on Reporting Requirements, dated December 5, 2024:

<https://www.rds.oeb.ca/CMWebDrawer/Record/874735/File/document>

## PROJECT SUMMARY TABLE

For ease of reference, and comparison to other Hydro One projects being undertaken as a result of an Order-in-Council, Table 1 provides a summary of Project #1. A map depicting the geographic location of Project #1 can be found at Attachment 1 to this document.

**Table 1 - Summary of Project #1 – North Shore Link**

| Status                                           | Line Name                | Voltage | Length         | Circuit Type | Completion | Project Stage     | Total Spent to Date |
|--------------------------------------------------|--------------------------|---------|----------------|--------------|------------|-------------------|---------------------|
| To Be Developed and Prioritized for Construction | North Shore Link Project | 230 kV  | Approx. 105 km | Double       | 2029       | Under development | \$26.3 M            |

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## BACKGROUND

On October 23, 2023<sup>6</sup>, the Minister of Energy issued a directive (“ Directive”) to the OEB under section 28.6.1 of the Ontario Energy Board Act, 1998 (“OEB Act”) requiring the OEB to amend Hydro One’s electricity transmission licence to require Hydro One to develop and seek all necessary approvals for three transmission line projects located in Northeastern and Eastern Ontario (collectively referred to as “the Projects”), that were approved by the Lieutenant Governor in Council on October 19, 2023, as Order in Council No. 1532/2023<sup>7</sup>. The Projects are as follows:

- **Project #1 (known as North Shore Link Project)** - A new 230 kilovolt (kV) transmission line from Mississagi Transformer Station to Third Line Transformer Station, including associated station facility expansions or upgrades required at the terminal stations; and
- **Project #2 (known as Northeast Power Line Project)** - A new 500 kV transmission line from Mississagi Transformer Station to Hanmer Transformer Station, including associated station facility expansions or upgrades required at the terminal stations; and
- **Project #3 (known as Durham Kawartha Power Line Project)** - A new 230 kV transmission line from Dobbin Transformer Station to either Cherrywood Transformer Station or Clarington Transformer Station, including associated station facility expansions or upgrades required at the terminal stations.

The Order in Council 1532/2023 accompanying the Directive states that expansion of Ontario’s transmission system is critical to provide a reliable and adequate supply of electricity to Northeastern and Eastern Ontario to support economic growth and electrification initiatives in the region. As such, the Projects have been declared to be needed as priority projects pursuant to section 96.1 of the Act in Order in Council No. 1531/2023 dated October 19, 2023<sup>8</sup>.

The Directive also required the OEB to amend Hydro One’s licence to include a condition that the scope and timing for the Projects accord with the recommendations of the IESO, and it also directed the OEB to require that Hydro One provide such reporting to the OEB as the OEB may consider appropriate with respect to budget, timing, and risks in relation to the development of the Projects.

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<sup>6</sup> Minister of Energy’s Letter to OEB, dated October 23, 2023: <https://www.oeb.ca/sites/default/files/letter-from-ministry-20231023.pdf>

<sup>7</sup> Order in Council No. 1532/2023 and Minister’s Directive, dated October 19, 2023: <https://www.oeb.ca/sites/default/files/Order-in-Council-Directive-hydro-one-amendment-20231019.pdf>

<sup>8</sup> Order in Council No. 1531/2023, dated October 19, 2023: <https://www.oeb.ca/sites/default/files/Priority-Order-20231019.pdf>

On October 31, 2024<sup>9</sup>, Hydro One provided the OEB with the IESO's guiding recommendations for the Projects in the Northeastern and Eastern Ontario Area. The recommendations are primarily driven by two IESO bulk planning reports:

1. [Need for Northeast Bulk System Reinforcement](#) (October 2022)
2. [Gatineau Corridor End-of-Life Study \(December 2022\)](#)

These IESO reports affirmed the Projects' need and identified the scope and timing of each. Subsequent to these reports, the IESO provided Hydro One further direction in a letter dated March 8, 2024, regarding additional reactive facilities that will support voltage requirements in the northeast, as they pertain to and support the project's outlined in the Northeast Bulk System Reinforcement Report (including Projects #1 and #2) and gave recommendations regarding the required in service date of those facilities. Similarly for Project #3, Hydro One received a Memorandum from the IESO, dated December 8, 2023, regarding observations on new and modified alternative route options to meet the supply capacity needs.

In a letter dated December 5, 2024, the OEB requested that Hydro One prepare semi-annual reports to the OEB that provide updates on the following matters:

- Overall Project progress
- Development cost
- Development work schedule
- Risks and Issues Log
- Project scope and timing recommendations provided by the IESO.

The first report for the Projects was requested to be filed by January 31, 2025, with all subsequent bi-annual reporting to cover the periods as follows:

- May 1 to October 31 for reporting in November, and
- November 1 to April 30 for reporting in May.

All reports are to be filed by the 15th business day of the month following the end of each reporting period.

This document includes the development period reporting for the North Shore Link Project, Project #1 of the three new transmission projects outlined above (hereafter, "Project" shall refer to the North Shore Link Project).

The development phase and corresponding development period reporting condition for Project #2, now referred to as the Northeast Power Line ("NEPL") Project, elapsed with the filing of Hydro

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<sup>9</sup> EB-2023-0319 Hydro One's Tx Recommendations Letter to the OEB, dated October 31, 2024: <https://www.rds.oeb.ca/CMWebDrawer/Record/870805/File/document>

One's leave to construct applications for that specific project. Accordingly, Hydro One will no longer detail Projects #2 in these bi-annual development period reports on a go-forward basis.

## **HYDRO ONE'S OEB-APPROVED AFFILIATE TRANSMISSION PROJECTS REGULATORY ACCOUNT**

On October 7, 2021, the OEB approved Hydro One's application for an accounting order to establish a new regulatory account, the Affiliate Transmission Projects Account. The ATP Account will be used for a transmission line project where:

1. Hydro One has, or will, receive a letter from the IESO identifying transmission system needs, and/or an Order in Council or direction from the Minister of Energy for the development or construction of a transmission line project, and
2. All or part of the transmission line project is expected to be owned by and included in the rate base of a new partnership, as a licensed transmitter, such that costs included in the ATP Account Project will not form part of Hydro One's rate base.

The transmission line portion of the Project is expected to be owned by a new licenced transmitter partnership. On November 21, 2023<sup>10</sup>, Hydro One notified the OEB that it intends to begin using the OEB-approved ATP Account for tracking the line costs of the Projects, in the same manner as those already approved in EB-2021-0169 and EB-2022-0142, such that line costs included in the ATP Account for the Project will not form part of Hydro One's rate base. Conversely, the associated station work for the Projects is expected to form part of Hydro One's future transmission rate base.

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<sup>10</sup> EB-2023-0319 Hydro One's ATP Account Notification Letter to the OEB, dated November 21, 2023: <https://www.rds.oeb.ca/CMWebDrawer/Record/823665/File/document>

## PROJECT REPORT

### Project #1 – North Shore Link

#### OVERALL PROGRESS

In the IESO's "*Need for Northeast Bulk System Reinforcement*" report issued in October 2022, the IESO identified a need for a new 230 kV double-circuit transmission line from Mississagi TS to Third Line TS with a planned in-service of 2029. The Government declared this new transmission line a priority project, and designated Hydro One as the transmitter. The Government also directed the OEB to amend Hydro One's electricity transmission licence to require Hydro One to develop and seek all necessary approvals for this Project. Hydro One remains on target to submit this Project's leave to construction application to the OEB in Q3 2026.

Hydro One began development work in April 2023 to provide the IESO support and necessary data, as well as to initiate engagement with First Nations and other impacted stakeholders. Hydro One continues to proceed with development work on this Project, specifically advancing environmental approvals and consultation, and engineering and design activities. The following summarises the work undertaken within the reporting period.

#### Environmental Approvals and Consultation

During this reporting period, Hydro One continued environmental field studies and consultation activities, as required under the Class EA process. Hydro One continues its preparation of the Draft Environmental Study Report ("ESR"), which once completed will be available for a public review period between May 2026 to June 2026.

Archaeological Assessments for the Project will continue during the 2026 field season and Hydro One intends to share the findings via drafted reports with Indigenous communities for review and input. The Project team continues to work closely with those Indigenous communities to encourage their involvement during Project planning and ensure there are opportunities to share Indigenous knowledge.

Ongoing consultations with Indigenous communities will continue throughout the development period. Hydro One is working closely with nine First Nation ("FN") communities who are anticipated to be future FN Equity Partners, as part of Hydro One's FN Equity Model, ensuring their involvement during Project planning and opportunities to share Indigenous knowledge throughout the Project's development and construction period. Capacity, in the form of funding and training, is being provided to these communities by Hydro One to ensure opportunities for participation and consultation in the Project can occur. Project consultation and engagement is ongoing with government agencies, the public and other interested parties and stakeholders.

Key engagement activities during this reporting period included:

- Community Open House at Huron-Superior Metis Region 4 December 15, 2025
- Archaeology reporting and 2026 field work planning – Ongoing
- Species at Risk Natural heritage 2026 field work planning – Ongoing
- Preparation of draft ESR for public review – Ongoing
- Municipal and Regional government outreach program – Ongoing
- Engagement with landowners to obtain early access to the corridor to perform various environmental studies associated with the Project – Ongoing
- Outreach and coordination with interested stakeholders, including Conservation Authorities and landowners– Ongoing
- Regular meetings with Indigenous communities to discuss Environmental, Archaeological plans and Identification of Commercial opportunities- Ongoing
- Planning for Public Community Open House Session – May 20 & 21, 2026 in Sault Ste. Marie, Wharncliffe and Searchmont.

## Engineering and Design

To support the Project's development activities for the transmission line's engineering and design work, Hydro One is utilizing two Engineering Procurement and Construction ("EPC") contractors consistent with Hydro One's Early Contractor Involvement ("ECI") procurement model. The ECI model will:

- Provide necessary design and engineering information into the EA Process and Hydro One's overall development of the Project.
- Advance preliminary identification of Project-specific Indigenous and non-Indigenous employment, procurement and training opportunities and requirements through continuous meetings with Indigenous communities and organizations; and
- Identify and implement opportunities for innovation in design, materials, procurement and construction early in the Project lifecycle to enable the development of an optimal project delivery solution to mitigate risk. This procurement model will enable the ECI-EPC contractor to thoroughly understand the risks, costs, and challenges associated with the Project, thus giving greater certainty to Hydro One on the overall Project delivery schedule and cost.

Preliminary engineering designs and studies have been completed for the expansion of three of Hydro One's transmission stations, Mississagi Transmission Station ("TS"), Third Line TS and two new Static Synchronous Compensators ("STATCOMs") that will be situated at Mississagi TS and Algoma TS respectively. Project feasibility studies and the design scope package for the aforementioned stations scopes of work have been completed. Opportunities for innovation and cost savings will be further explored during the detailed design and construction phase.

During this reporting period key deliverables included:

- Conducted field investigations/surveys (i.e., Lidar surveys, land surveys, right-of-way mapping, etc.) to inform project planning and development.
- Engaged with municipalities, government agencies and other utilities (i.e., railways, local distribution companies, etc.) to identify and address engineering design requirements necessary for the development of the Project.
- Continued engagement with ECI-EPC contractors for the line scope of work to develop preliminary design, material list, tower locations, access plans, execution plan and access plans.
- Released Lines EPC RFP in January and received proposals from the Lines ECI-EPC contractors in March, anticipating selection of the preferred Lines EPC contractor by Q3 2026.
- Awarded Stations EPC contracts for Third Line TS and Algoma TS in March, and held kick off meetings with contractors in April to start design and procurement activities.
- Awarded Stations EPC contract for Mississagi TS in April, with STATCOMs contract award expected by Q3 2026.

## **COSTS**

Consistent with the Order-in-Council for the Project, and the timing requirements for its delivery, Hydro One is continuing development work for the Project as indicated by the expenditures to date shown in Table 2.

**Table 2 - Project Development Costs – Project #1 – North Shore Link Project**

|                         | Actuals Spent                                        |                                |                                      | Forecast Budget Variance                           |                                             |                                 |                                       |                                    |                    |
|-------------------------|------------------------------------------------------|--------------------------------|--------------------------------------|----------------------------------------------------|---------------------------------------------|---------------------------------|---------------------------------------|------------------------------------|--------------------|
|                         | A                                                    | B                              | C                                    | D                                                  | E                                           | F                               | G                                     | H                                  | I                  |
|                         | Spent this Reporting Period <sup>11</sup> (Millions) | Total Spent to Date (Millions) | Budget as per Last Report (Millions) | Forecast Budget Change from Last Report (Millions) | Forecast Budget Change from Last Report (%) | Revised Total Budget (Millions) | G = F - B Budget Remaining (Millions) | H = G/F * 100 Budget Remaining (%) | Reasons for Change |
| Real Estate             | \$0.6                                                | \$1.2 <sup>12</sup>            | \$5.7                                | n/a                                                | n/a                                         | n/a                             | \$4.5                                 | 79%                                | n/a                |
| Engineering and Design  | \$2.7                                                | \$8.2                          | \$12.6                               | n/a                                                | n/a                                         | n/a                             | \$4.4                                 | 35%                                | n/a                |
| Environmental Approvals | \$1.2                                                | \$4.0                          | \$12.3                               | n/a                                                | n/a                                         | n/a                             | \$8.3                                 | 67%                                | n/a                |
| Indigenous Consultation | \$3.5                                                | \$6.3                          | \$16.4                               | n/a                                                | n/a                                         | n/a                             | \$10.1                                | 62%                                | n/a                |
| Project Management      | \$1.7                                                | \$4.4                          | \$12.6                               | n/a                                                | n/a                                         | n/a                             | \$8.2                                 | 65%                                | n/a                |
| Contingency             | \$0.0                                                | \$0.0                          | \$13.0                               | n/a                                                | n/a                                         | n/a                             | \$13.0                                | 100%                               | n/a                |
| Other Consultation      | \$0.4                                                | \$0.5                          | \$3.0                                | n/a                                                | n/a                                         | n/a                             | \$2.5                                 | 83%                                | n/a                |
| Interest and Overhead   | \$0.9                                                | \$1.7                          | \$6.6                                | n/a                                                | n/a                                         | n/a                             | \$4.9                                 | 75%                                | n/a                |
| Total <sup>13</sup>     | \$11.0                                               | \$26.3                         | \$82.3                               | n/a                                                | n/a                                         | n/a                             | \$55.9                                | 68%                                |                    |

<sup>11</sup> Actual Spent amounts for this reporting period shown in *Column A* reflects the OEB's direction that the report should cover the period from November 1, 2025, to April 30, 2026.

<sup>12</sup> The previous bi-annual report incorrectly included an expenditure for non-development related real estate costs, and so it has been removed from the "Total Spent to Date" amount.

<sup>13</sup> Total estimate values represented with one decimal place have been rounded.

## PROJECT DEVELOPMENT WORK SCHEDULE

In the IESO's "*Need for Northeast Bulk System Reinforcement*" report issued in October 2022, the IESO identified a need for a new 230 kV double-circuit transmission line from Mississagi TS to Third Line TS with a planned in-service date of 2029. Hydro One's development schedule anticipates filing a leave to construct application in Q3 2026, allowing sufficient time to construct and in-service the line by the defined need date. Table 3 below presents the key milestones involved in completing the development work. Additionally, Hydro One notes that Table 3 has been revised to only reflect Project development work milestones in accordance with the OEB's reporting requirements.

**Table 3 - Project Development Work Schedule – Project #1 – North Shore Link Project**

| Milestones                                                           | Schedule         | Completed                                                           | Adjusted To |
|----------------------------------------------------------------------|------------------|---------------------------------------------------------------------|-------------|
| Notice of Commencement of Class EA                                   | Mid 2024         | July 22, 2024                                                       | -           |
| Data collection, and development of route alternatives               | Early - Mid 2024 | Route Alternatives shared publicly in NoC of Class EA in July 2024. | -           |
| Community Open House #1                                              | Late 2024        | September 17-19, 2024                                               | -           |
| Indigenous Community Open House #1                                   | Late 2024        | Multiple dates throughout Sept – Nov 2024                           | -           |
| Indigenous Community Open House #2                                   | Early 2025       | Multiple dates throughout Feb – May 2025                            | -           |
| Consultation and data collection in support of the EA                | 2024-2026        | Ongoing                                                             | -           |
| Selection of preferred route                                         | Mid 2025         | June 2025                                                           | -           |
| Community Open House #2 (formerly #3)                                | Mid 2025         | July 22-24, 2025                                                    | -           |
| Indigenous Community Open House #3                                   | Mid 2025         | Multiple dates throughout September – December 2025                 | -           |
| Publish the draft Environmental Study Report (ESR) for public review | Mid 2026         | -                                                                   | -           |
| Community Open House #3                                              | Mid 2026         | -                                                                   | -           |
| Submit Final ESR and complete the Class EA process                   | Late 2026        | -                                                                   | -           |
| Leave to Construct (Section 92) Application Submission               | Q3 2026          | -                                                                   | -           |

## RISKS AND ISSUES LOG

The Project is being monitored continually for risks and risk mitigations will be implemented as necessary. Risks are formally re-evaluated on a recurring basis. Risks for further stages of the Project development phase will be identified as the Project progresses. Project execution risks will be identified at a later date and will be included in Hydro One's Leave to Construct application that will be submitted to the OEB. The major development risks actively being managed is presented below.

- There is a risk of Project delays and increased development costs due to extended timelines for consultation during the Class EA process. To mitigate this risk, Hydro One is proactively engaging with future anticipated FN Equity Partners and other stakeholders to align on priorities and ensure these activities are integrated into the EA schedule.
- There is a risk of Project delays due to potential Section 16 of the Environmental Assessment Act order requests from Indigenous communities. To mitigate this risk, Hydro One is actively engaging with Indigenous communities to proactively address any concerns.

## PROJECT SCOPE AND TIMING RECOMMENDATIONS PROVIDED BY THE IESO

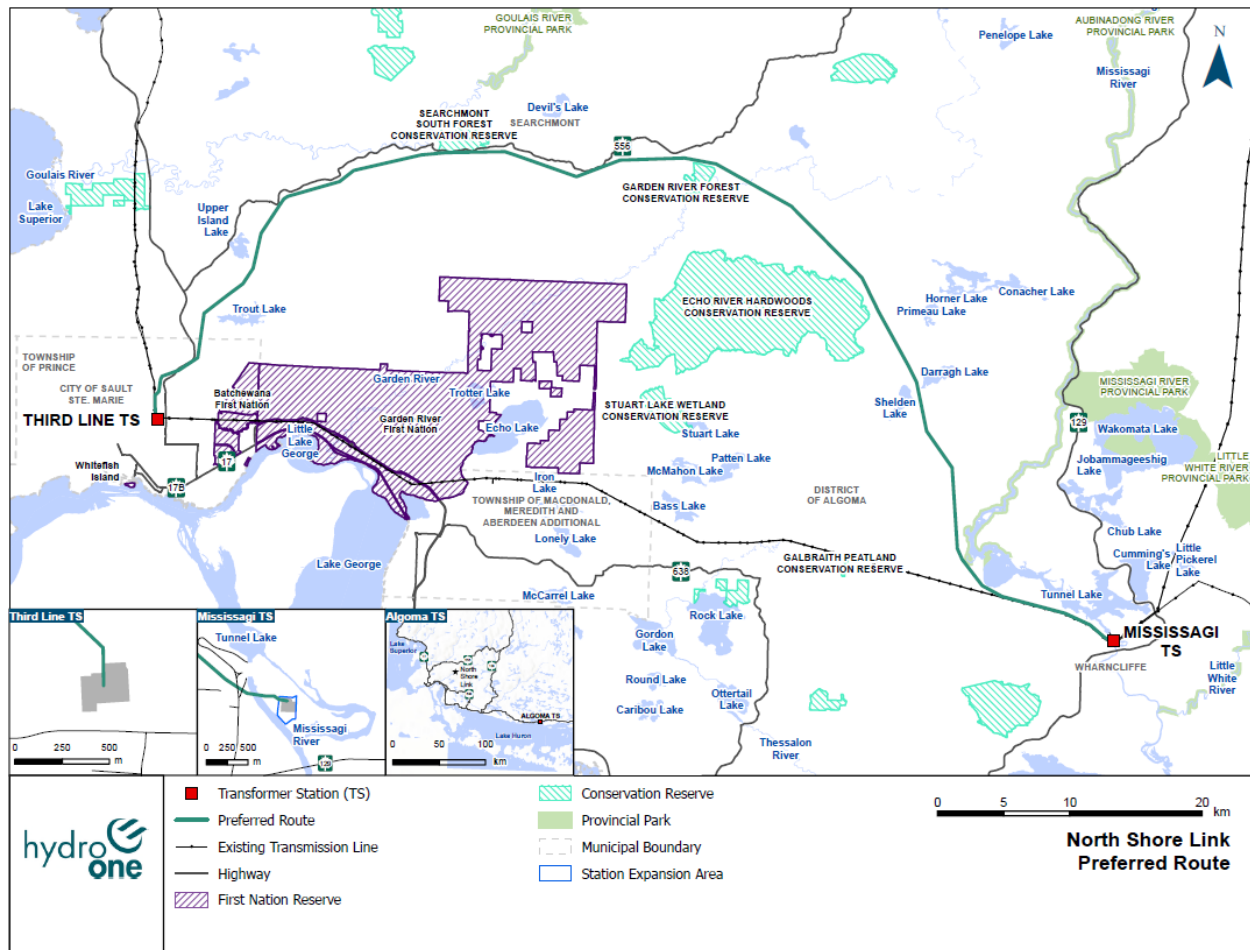
The IESO provided the Project's System Impact Assessment ("SIA") in October 2025. The SIA's conclusions and recommendations does not differ to the scope and the timing of the Project contemplated in the *"Need for Northeast Bulk System Reinforcement"* report. Should the IESO provide additional updates for the North Shore Link Project, those details will be provided to the OEB and summarised in this section of the Report going forward. Information in this section will reflect any update(s) provided to Hydro One within the semi-annual reporting period to which the report pertains.

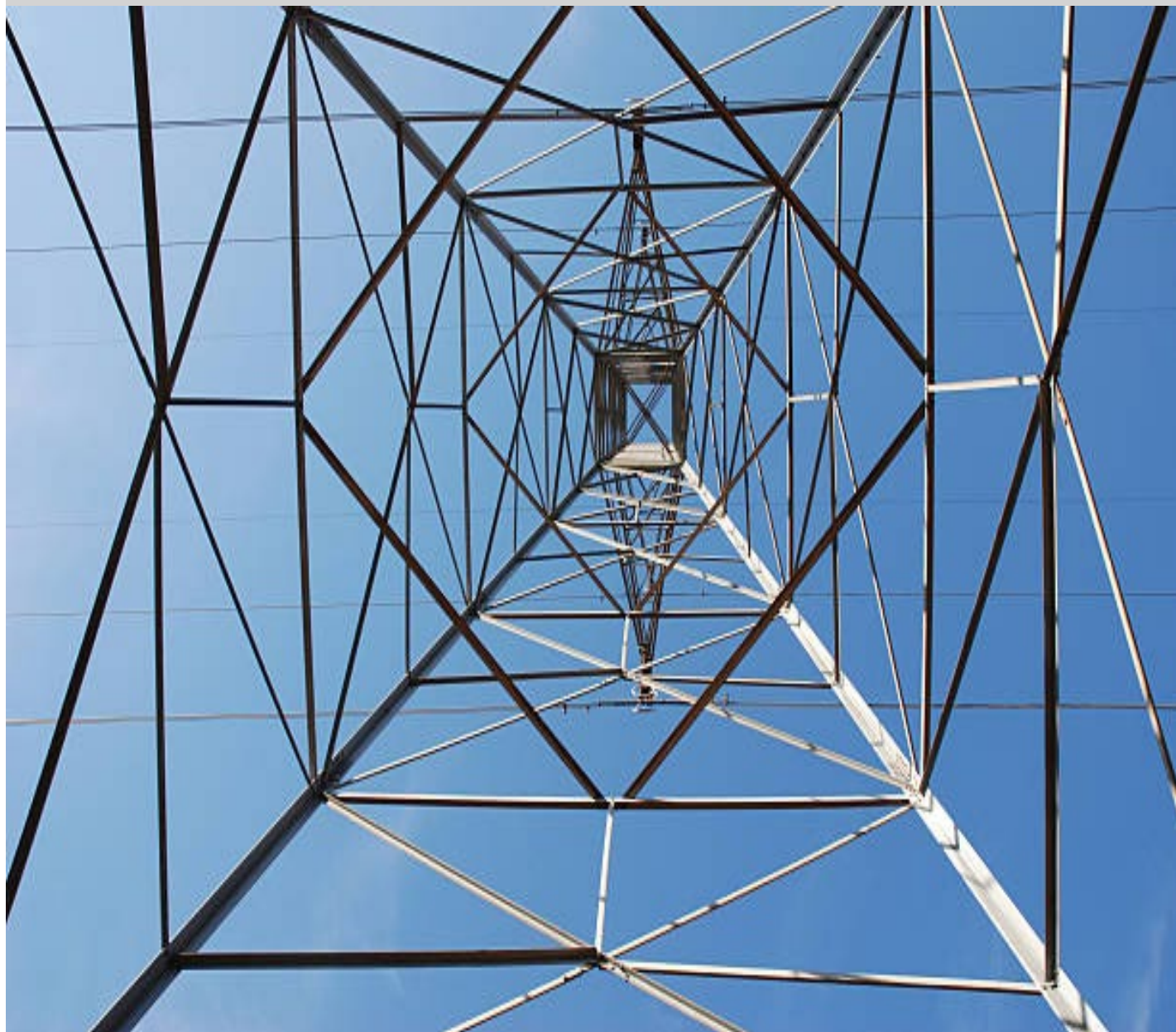
Hydro One is working to complete its draft Customer Impact Assessment ("CIA") report for the Project by early July 2026. The draft report will be shared with area customers for review and comments prior to being finalized and included in Hydro One's leave to construct application.

## ATTACHMENT 1

### Map of the New Transmission Line in Northeastern Ontario

A map of the North Shore Link (Project #1) in Northeastern Ontario, with preferred route spanning between Mississagi TS and Third Line TS.





**Northeastern and Eastern Ontario Transmission Line Projects**  
Durham Kawartha Power Line Project

Ontario Energy Board Progress Report  
November 1, 2025 to April 30, 2026

## EXECUTIVE SUMMARY

On December 5, 2024<sup>1</sup>, the Ontario Energy Board (“OEB”) requested Hydro One prepare semi-annual project update reports detailing the budget, schedule, and risks associated with the development of the three new transmission line projects located in Northeastern and Eastern Ontario, that were approved by the Lieutenant Governor in Council on October 19, 2023, as Order in Council (“OIC”) No. 1532/2023<sup>2</sup>.

This document includes the project reporting details for the period of November 1, 2025 to April 30, 2026 in relation to the Durham Kawartha Power Line Project (“the DKPL Project” or “the Project”), the third outlined project in that OEB request. The DKPL Project is described as a new 230 kV transmission line from Dobbin TS to either Cherrywood TS or Clarington TS, including associated expansions or upgrades required at the terminal stations.

For the DKPL Project, the development work related to the environmental assessment and engineering continued to progress during this reporting period. Hydro One has completed and submitted the Final Environmental Study Report (“Final ESR”) with the Ministry of Environment, Conservation and Parks (“MECP”), following the Draft ESR public review and comment period. Additionally, Hydro One has completed the competitive procurement process and has issued a contract award to secure a fixed priced Engineering, Procurement, and Construction (“EPC”) contract for the transmission line. Indigenous consultations have occurred throughout the development period and will continue during the EPC phase of the Project. The major development risks for the Project have been identified and are being managed. The top risks include the risk of delays in the archaeology program and acquisition of new easements required for the Project. Hydro One is continuing working with regulators, municipalities, Indigenous communities, landowners, contractors and suppliers to manage these risks.

### Project Summary Table

For ease of reference, and comparison, Table 1 below provides a summary of the DKPL Project details, status, and expenditures this reporting period. A map of the Project, located in Eastern Ontario, can be found at Attachment 1 to this document.

**Table 1 - Summary of Project #3 – Durham Kawartha Power Line Project**

| Status                                           | Line Name                  | Voltage | Length | Circuit Type | Completion | Project Stage     | Actual Spent in Reporting Period |
|--------------------------------------------------|----------------------------|---------|--------|--------------|------------|-------------------|----------------------------------|
| To Be Developed and Prioritized for Construction | Durham Kawartha Power Line | 230 kV  | 55 km  | Double       | 2029       | Under Development | \$9.9M                           |

<sup>1</sup> EB-2023-0319 [OEB's Letter to Hydro One on Reporting Requirements](#), dated December 5, 2024.

<sup>2</sup> [Order in Council O/C No. 1532/2023 and Minister's Directive](#), dated October 19, 2023.

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## BACKGROUND

On October 23, 2023<sup>3</sup>, the Minister of Energy issued a Directive to the OEB under section 28.6.1 of the Ontario Energy Board Act, 1998 (“OEB Act”) requiring the OEB to amend Hydro One’s electricity transmission licence to require Hydro One to develop and seek all necessary approvals for three transmission line projects located in Northeastern and Eastern Ontario (collectively referred to as “the Projects”), that were approved by the Lieutenant Governor in Council on October 19, 2023, as Order in Council No. 1532/2023<sup>4</sup> (“Directive”). The Projects are as follows:

- **Project #1 (known as North Shore Link Project)** - A new 230 kV transmission line from Mississagi TS to Third Line TS, including associated station facility expansions or upgrades required at the terminal stations;
- **Project #2 (known as Northeast Power Line Project)** - A new 500 kV transmission line from Mississagi TS to Hanmer TS, including associated station facility expansions or upgrades required at the terminal stations; and
- **Project #3 (known as Durham Kawartha Power Line Project)** - A new 230 kV transmission line from Dobbin TS to either Cherrywood TS or Clarington TS, including associated station facility expansions or upgrades required at the terminal stations.

The Order in Council 1532/2023 accompanying the Directive states that expansion of Ontario’s transmission system is critical to provide a reliable and adequate supply of electricity to Northeastern and Eastern Ontario to support economic growth and electrification initiatives in the region. As such, all three of the transmission projects listed in the Directive have been declared to be needed as priority projects pursuant to section 96.1 of the OEB Act in Order in Council No. 1531/2023 dated October 19, 2023<sup>5</sup>.

The Directive also required the OEB to amend Hydro One’s licence to include a condition that the scope and timing for the Projects accord with the recommendations of the IESO, and it also directed the OEB to require that Hydro One provide such reporting to the OEB as the OEB may consider appropriate with respect to budget, schedule, and risks in relation to the development of the Projects.

On October 31, 2024<sup>6</sup>, Hydro One provided the OEB with the IESO’s guiding recommendations for these three new transmission projects in the Northeastern and Eastern Ontario area. The recommendations are primarily driven by two specific reports by the IESO:

1. [Need for Northeast Bulk System Reinforcement](#) (October 2022)
2. [Gatineau Corridor End-of-Life Study](#) (December 2022)

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<sup>3</sup> [Minister of Energy's Letter to OEB](#), dated October 23, 2023.

<sup>4</sup> [Order in Council No. 1532/2023 and Minister's Directive](#), dated October 19, 2023.

<sup>5</sup> [Order in Council No. 1531/2023](#), dated October 19, 2023.

<sup>6</sup> EB-2023-0319 [Hydro One's Tx Recommendations Letter to the OEB](#), dated October 31, 2024.

These IESO reports affirmed the projects' need and identified the scope and timing of each. Subsequent to these reports, the IESO provided Hydro One further direction in a letter dated March 8, 2024, regarding additional reactive facilities that will support voltage requirements in the northeast, as they pertain to and support the projects outlined in the Northeast Bulk System Reinforcement Report (including Projects #1 and #2) and gave recommendations regarding the required in service date of those facilities. Similarly for Project #3, Hydro One received a memorandum from the IESO, dated December 8, 2023, regarding observations on new and modified alternative route options to meet the supply capacity needs.

In a letter dated December 5, 2024<sup>7</sup>, the OEB requested that Hydro One prepare semi-annual reports to the OEB that provided updates on the following matters:

- Overall Project progress
- Development cost
- Development work schedule
- Risks and Issues Log
- Project scope and timing recommendations provided by the IESO.

The first set of reports was filed with the OEB on January 31, 2025, and covered the period up until October 31, 2024. All subsequent bi-annual reports are to cover the reporting periods as follows:

- May 1 to October 31 for reporting in November, and
- November 1 to April 30 for reporting in May.

All subsequent bi-annual reports are to be filed by the 15<sup>th</sup> business day of the month following the end of each reporting period. Consistent with this direction, Hydro One has continued to file project-specific update reports for each of the projects throughout its development phase. The project reporting for Projects #1 and #3 will be addressed in separate bi-annual reports, which will be filed with the OEB as a single consolidated document. Hydro One has filed an application for leave to construct Project #2. This filing marks the completion of the development phase and corresponding development period reporting condition for Project #2. Hydro One will no longer detail Project #2 in these bi-annual development period reports on a go-forward basis.

### **Hydro One's OEB-Approved Affiliate Transmission Projects Regulatory Account**

On October 7, 2021, the OEB approved Hydro One's application for an accounting order to establish a new regulatory account, the Affiliate Transmission Projects ("ATP") Account. The ATP Account will be used for a transmission line project where:

1. Hydro One has, or will, receive a letter from the IESO identifying transmission system needs, and/or an Order in Council or direction from the Minister of Energy for the development or construction of a transmission line project, and

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<sup>7</sup> EB-2023-0319 [OEB's Letter to Hydro One on Reporting Requirements](#), dated December 5, 2024.

2. All or part of the transmission line project is expected to be owned by and included in the rate base of a new partnership, as a licensed transmitter, such that costs included in the ATP Account Project will not form part of Hydro One's rate base.

The transmission line portion of the three new transmission projects are expected to be owned by a new licenced transmitter partnership. On November 21, 2023<sup>8</sup>, Hydro One notified the OEB that it intends to begin using the OEB-approved ATP Account for tracking the line costs of the projects, in the same manner as those already approved in EB-2021-0169 and EB-2022-0142, such that line costs included in the ATP Account for the Project will not form part of Hydro One's rate base. Conversely, the associated station work for the projects is expected to form part of Hydro One's future transmission rate base.

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<sup>8</sup> EB-2023-0319 [Hydro One's ATP Account Notification Letter to the OEB](#), dated November 21, 2023.

## PROJECT REPORT

### Project #3 – Durham Kawartha Power Line

#### OVERALL PROGRESS

In the IESO's "*Gatineau Corridor End-of-Life Study*" report, among other things, the IESO identified a need for a new 230 kV double-circuit transmission line from Dobbin TS to either Cherrywood TS or Clarington TS with a planned in-service of 2029. The Government declared this new transmission line a priority project, and designated Hydro One as the transmitter. The Government also directed the OEB to amend Hydro One's electricity transmission licence to require Hydro One to develop and seek all necessary approvals for the Durham Kawartha Power Line Project (hereinafter, "Project" shall refer to the Durham Kawartha Power Line Project).

Hydro One began development work in December 2023 and continues to proceed with advancing environmental approvals and consultation, and engineering and design activities for the Project. As part of this development work, Hydro One has selected the new 230 kV double-circuit transmission line to terminate at Clarington TS as established in the Notice of Commencement of the Class Environmental Assessment ("Class EA"). The following summarises the work that was undertaken within the reporting period of November 1, 2025, to April 30, 2026.

#### Environmental Approvals and Consultation

During this reporting period, Hydro One has finalized all environmental studies, reports and consultation activities required under the Class EA. The Final ESR was finalized and submitted to the MECP on February 6, 2026. Hydro One will be continuing the Stage 2 archaeology and commencing the Stage 3 archaeology program, all of which is expected to be completed in 2026.

Hydro One continued ongoing engagement with Indigenous communities to support their participation in the Class EA process. Additionally, Indigenous communities are being provided with the opportunity to participate as field monitors in the upcoming archaeology program and environmental field surveys being performed in 2026. Capacity funding agreements have been signed with all eight of the Indigenous communities identified in the duty to consult letter issued to Hydro One.

Key engagement activities with Indigenous communities, government officials/agencies, interested persons and organizations during this reporting period have included:

- Completion of the 2025 Stage 2 archaeology field work season – December 1, 2025.
- Completion and issuance of Final ESR to the MECP – February 6, 2026.
- Finalized Crossing Agreement with Durham Region for Regional Road 3 – March 5, 2026
- Engagement with impacted landowners to assess property values to determine easement compensation – Ongoing.
- Regular Meetings with Indigenous communities to discuss environmental, archaeological plans and identification of commercial opportunities – Ongoing.

## Engineering and Design

To support of the Project's continued development phase activities for the transmission line engineering and design work, Hydro One contracted the services of two Engineering Procurement and Construction ("EPC") contractors, to participate in an Early Contractor Involvement ("ECI") procurement model. Hydro One has now selected the services of one of these EPC contractors to proceed with finalizing the transmission line engineering and design work, based on competitive proposals developed during the ECI phase.

Hydro One has also continued to progress engineering and design work for the expansion work at Dobbin TS and Clarington TS, to support the connection of the new 230 kV double-circuit transmission line terminations.

During this reporting period, key deliverables included:

- Conducted land surveys for impacted properties along the project route in support of the land acquisition process.
- Conducted further field investigations/services (i.e., additional Lidar surveys, and right-of-way mapping) to inform line design around the stations.
- Finalized the required scope for both Dobbin and Clarington TS.
- Engaged with Durham Region to identify and address engineering design requirements necessary for the development of the Project.
- Reviewed final proposals from the ECI-EPC contractors and selected the EPC contractor to engineer, procure and construct the transmission line.
- Reviewed bid proposals and selected the EPC contractor for the work at Clarington TS.
- Developed Class 3 estimates for the line and station work in support of project approvals, including the leave to construct application.

## COSTS

Consistent with the Order in Council for this Project, and the timing requirements for its delivery, Hydro One has continued development work for the Project, as indicated by the expenditures to date shown in Table 2 below. Table 2 below summarizes the Project development costs incurred against that overall budget for the current reporting period.

**Table 2 - Project Development Costs – Durham Kawartha Power Line Project**

|                            | Actuals Spent                                        |                                |                                                         | Forecast Budget Variance <sup>9</sup>              |                                             |                                 |                                       |                                    |                    |
|----------------------------|------------------------------------------------------|--------------------------------|---------------------------------------------------------|----------------------------------------------------|---------------------------------------------|---------------------------------|---------------------------------------|------------------------------------|--------------------|
|                            | A                                                    | B                              | C                                                       | D                                                  | E                                           | F                               | G                                     | H                                  | I                  |
|                            | Spent this Reporting Period <sup>10</sup> (Millions) | Total Spent to Date (Millions) | Budget per October 2025 Report <sup>11</sup> (Millions) | Forecast Budget Change from Last Report (Millions) | Forecast Budget Change from Last Report (%) | Revised Total Budget (Millions) | G = F - B Budget Remaining (Millions) | H = G/F * 100 Budget Remaining (%) | Reasons for Change |
| Real Estate                | \$1.5                                                | \$5.7                          | \$12.7                                                  | n/a                                                | n/a                                         | n/a                             | \$7.1                                 | 55%                                | n/a                |
| Engineering and Design     | \$2.7                                                | \$8.4                          | \$8.4                                                   | n/a                                                | n/a                                         | n/a                             | \$0.0                                 | 0%                                 | n/a                |
| Environmental Approvals    | \$0.7                                                | \$3.8                          | \$6.4                                                   | n/a                                                | n/a                                         | n/a                             | \$2.6                                 | 41%                                | n/a                |
| Indigenous Consultation    | \$0.6                                                | \$2.1                          | \$6.2                                                   | n/a                                                | n/a                                         | n/a                             | \$4.1                                 | 66%                                | n/a                |
| Project Management         | \$3.2                                                | \$7.4                          | \$7.9                                                   | n/a                                                | n/a                                         | n/a                             | \$0.4                                 | 5%                                 | n/a                |
| Contingency                | \$0.0                                                | \$0.0                          | \$8.4                                                   | n/a                                                | n/a                                         | n/a                             | \$8.4                                 | 100%                               | n/a                |
| Other Consultation         | \$0.6                                                | \$1.1                          | \$1.4                                                   | n/a                                                | n/a                                         | n/a                             | \$0.3                                 | 20%                                | n/a                |
| Interest and Overhead      | \$0.6                                                | \$1.8                          | \$6.3                                                   | n/a                                                | n/a                                         | n/a                             | \$4.5                                 | 71%                                | n/a                |
| <b>Total <sup>12</sup></b> | <b>\$9.9</b>                                         | <b>\$30.3</b>                  | <b>\$57.6</b>                                           | <b>n/a</b>                                         | <b>n/a</b>                                  | <b>n/a</b>                      | <b>\$27.3</b>                         | <b>47%</b>                         |                    |

<sup>9</sup> There was no revision to the budget in this reporting period and thus no revised forecast to report in *Columns D to F*. The Budget Remaining shown in *Column G* is the delta between *Column C* and *Column B*, similarly the percentage shown in *Column H* is *Column G* divided by *Column C*.

<sup>10</sup> Actual Spent amounts shown in *Column A* reflects the OEB's direction that the report should cover the period from November 1, 2025 to April 30, 2026.

<sup>11</sup> Budget amounts shown in *Column C* reflect the total Project development work budget as provided in the previous reporting period.

<sup>12</sup> Total amounts throughout the cost table may not add as values are rounded and represented by one decimal place.

## PROJECT DEVELOPMENT WORK SCHEDULE

In the IESO's "*Gatineau Corridor End-of-Life Study*" report issued in December 2022, the IESO indicated that the DKPL Project would be required to be in-service by the end of 2029. Hydro One has built out a development schedule with the goal of filing the leave to construct application in Mid-2026, which will allow time to construct and in-service the line by the need date. Table 3 presents the key milestones involved in completing the development work. The Final ESR timelines were slightly modified to address clarifications with the MECP and the Indigenous Communities; however, Hydro One is still on target to submit the leave to construct application in Mid-2026 as planned.

**Table 3 - Project Development Work Schedule – Durham Kawartha Power Line Project**

| Milestones                                                | Schedule   | Completed           | Adjusted To |
|-----------------------------------------------------------|------------|---------------------|-------------|
| Notice of Commencement of Class EA                        | Mid-2024   | June 4, 2024        | -           |
| Community Open House #1                                   | Mid-2024   | June 27, 2024       | -           |
| Selection of preferred route                              | End-2024   | December 16, 2024   | -           |
| Community Open House #2                                   | Early-2025 | March 18 & 20, 2025 | -           |
| Release of the Draft ESR for public review and comment    | Mid-2025   | October 29, 2025    | -           |
| Submit Final ESR and complete the Class EA process        | Late 2025  | February 6, 2026    | -           |
| Leave to Construction (Section 92) Application Submission | Mid-2026   | -                   | -           |

## RISKS AND ISSUES LOG

The Project is being monitored continually for risks and risk mitigation implemented as a matter of routine activity by the Project team. Risks are formally re-evaluated on a quarterly basis. The list of major development risks actively being managed continues to be the same as previously presented, with the exception of the risk of delay to the Project if an Order under Section 16 of the *Environmental Assessment Act* was pursued. The Final ESR has now been filed with the MECP and no Section 16 Order requests were received.

- There is a risk of delay to the Project if the easements required to construct the new transmission line cannot be acquired voluntarily, and Hydro One must apply to the OEB for authority to expropriate the lands. To mitigate this risk Hydro One is engaging landowners early, discussing concerns and implementing mitigations, in order to secure voluntary option agreements with landowners.
- There is a risk of delay to the Project if there are delays to the archaeology program due to slow progression of work and identification of a number of sites along the Project route

that may require further clearing to support Stage 3 or Stage 4 Archeological Assessments. To mitigate this risk, Hydro One is deploying additional crews to advance clearing activities early in 2026, with priority given to sites anticipated to require Stage 3 or Stage 4 Archeological Assessments.

Project execution risks will be identified at a later date and will be included in Hydro One's leave to construct application that will be submitted to the OEB.

### **PROJECT SCOPE AND TIMING RECOMMENDATIONS PROVIDED BY THE IESO**

Should the IESO provide updates to the scope, need, and/or timing recommendations to Hydro One for the Project, those details will be provided to the OEB and summarized in this section of the Report going forward. Information in this section will reflect any update(s) provided to Hydro One within the semi-annual reporting period to which the report pertains.

**Updates** – Nothing to report during the period.

## ATTACHMENT 1

### Map of the New Transmission Line in Eastern Ontario

A map of the DKPL Project (Project #3) in Eastern Ontario, which references the new 230 kV double-circuit transmission line planned between Dobbin TS and Clarington TS.



#### Durham Karwartha Power Line Project

##### Map Legend

- Station/Junction
- Preferred route
- Selected route alternative B
- Potential underground line
- Local study area (500 m on either side of the route centerline)
- Municipal boundary
- First Nation community
- Waterbody
- Roads

