



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

---

# DECISION AND ORDER

**EB-2025-0290**

## HYDRO ONE NETWORKS INC.

**Application for Leave to Construct Transmission Line and Station  
Facilities in the Niagara Area and Associated Approvals**

**BEFORE: Robert Dodds**  
Presiding Commissioner

**Damien A. Côté**  
Commissioner

**Vinay Sharma**  
Commissioner

---

**July 9, 2026**

## TABLE OF CONTENTS

<b>1</b>	<b>OVERVIEW .....</b>	<b>1</b>
<b>2</b>	<b>PROCESS.....</b>	<b>2</b>
<b>3</b>	<b>DECISION.....</b>	<b>3</b>
<b>3.1</b>	<b>PROJECT NEED AND PROJECT ALTERNATIVES .....</b>	<b>4</b>
<b>3.2</b>	<b>PROJECT COSTS.....</b>	<b>11</b>
<b>3.3</b>	<b>CONSUMER IMPACTS .....</b>	<b>15</b>
<b>3.4</b>	<b>RELIABILITY AND QUALITY OF SERVICE .....</b>	<b>21</b>
<b>3.5</b>	<b>ECONOMIC GROWTH .....</b>	<b>22</b>
<b>3.6</b>	<b>LANDOWNER AGREEMENTS .....</b>	<b>24</b>
<b>3.7</b>	<b>CONDITIONS OF APPROVAL.....</b>	<b>28</b>
<b>4</b>	<b>ORDER .....</b>	<b>29</b>
	<b>SCHEDULE A.....</b>	<b>31</b>
	<b>SCHEDULE B.....</b>	<b>33</b>

# 1 OVERVIEW

Hydro One Networks Inc. (Hydro One) filed an application with the OEB on November 18, 2025, requesting:

- a) pursuant to section 92 of the *Ontario Energy Board Act, 1998* (OEB Act), an order or orders granting leave to construct approximately 18.5 kilometers of double-circuit electricity transmission line and associated facilities in the Niagara area (the Project)
- b) pursuant to section 97 of the OEB Act, an order granting approval of the forms of land-use agreements offered, or to be offered, to affected landowners
- c) pursuant to section 99 of the OEB Act, an order or orders authorizing Hydro One to expropriate certain land interests.

As the authority to expropriate land for a work (section 99) can only be granted to a person who has leave or who is exempt from obtaining leave, part c) was scoped out of the first phase of this proceeding.

The scope of Phase 1 is therefore limited to issues with respect to application for leave to construct the Project. Accordingly, this Decision and Order only address Hydro One's application for leave to construct and approval of the form of land-use agreement requests.

For the reasons provided in this Decision and Order, the OEB grants Hydro One's application for leave to construct the Project to provide up to 180 MW of incremental transmission capacity required to meet load forecast and improve reliability in the Niagara region.

The OEB finds that the Project is in the public interest based on an examination of the Project need, alternatives, cost, customer impacts, reliability and quality of electricity service, and land matters.

The OEB accepts Hydro One's project cost estimate of \$311.4 million, consisting of \$234.9 million for line work and \$76.5 million for station work.

The OEB approves the forms of land use agreements that Hydro One has offered, or will offer, to landowners affected by the routing and construction of the Project.

The leave to construct is subject to the OEB's conditions of approval, attached as Schedule B to this Decision and Order.

---

## 2 PROCESS

The OEB issued a Notice of Hearing on December 12, 2025 and a revised Notice of Hearing on December 18, 2025.

On February 6, 2026, the OEB issued Procedural Order No. 1 (PO #1) which, among other things, provided for comments on the OEB's standard issues lists for electricity leave to construct and expropriation applications and whether the expropriation relief sought by Hydro One should be part of the scope of the application. PO #1 granted intervenor status to 2853918 Ontario Inc. (2853918), the Corporation of the City of Welland (City of Welland) and Futecan Canada Inc. (Futecan). PO #1 also made provision for a written interrogatory process.

On March 5, 2026, the OEB issued a Scope of Proceeding, Decision on Issues List and Procedural Order No. 2 (PO #2). In PO #2, the OEB divided the application into two phases. The scope of Phase 1 is limited to issues with respect to leave to construct the Project. If leave to construct is granted, Phase 2 will address Hydro One's expropriation request. Phase 2 will be held in abeyance pending the OEB's decision on Phase 1. PO #2 also determined that the OEB's standard issues list for electricity transmission leave to construct applications will be used for Phase 1 of the proceeding.

On March 12, 2026, OEB staff and Futecan filed interrogatories. Hydro One filed its responses to the interrogatories on March 26, 2026.<sup>1</sup>

On April 6, 2026, the OEB issued Procedural Order No. 3 (PO #3), in which it made provision for written submissions in respect of Phase 1. On April 22, 2026, OEB staff, City of Welland and Futecan filed submissions. Hydro One filed its reply submission on May 6, 2026.

---

<sup>1</sup> Hydro One filed a revised version of interrogatory responses on March 30, 2026.

### 3 DECISION

Section 92 of the OEB Act provides that leave to construct must be obtained for the construction, expansion or reinforcement of electricity transmission lines. Section 96(2) of the OEB Act limits the scope of the OEB's review in an application under section 92, when considering whether the construction of electricity transmission facilities is in the public interest, to the following two considerations:

- 1) The interests of consumers with respect to prices and the reliability and quality of electricity service.
- 2) Supporting economic growth in a manner consistent with the policies of the Government of Ontario.

The second numbered paragraph in section 96(2) regarding supporting economic growth was added on December 11, 2025 through Bill 40, *Protect Ontario by Securing Affordable Energy for Generations Act, 2025*.<sup>2</sup> Prior to December 11, 2025, section 96(2) only included the first numbered paragraph regarding the interests of consumers with respect to prices and the reliability and quality of electricity service.

In this Decision and Order, the OEB has determined that the previous version of section 96(2) that was in effect at the time that Hydro One filed its application is the applicable statutory provision. As such, when considering the public interest, the OEB only considered the interests of consumers with respect to prices and the reliability and quality of electricity service. However, as explained further in this Decision and Order in section 3.5 Economic Growth, the OEB considered Hydro One's submissions regarding economic growth related to the matters within the scope of this proceeding.

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

The OEB's findings on project need and alternatives, project costs, consumer impacts, reliability and quality of electricity service, economic growth, landowner agreements and conditions of approval are addressed below.

---

<sup>2</sup> *Protect Ontario by Securing Affordable Energy for Generations Act, 2025*, S.O. 2025, c. 22 - Bill 40 at section 9.

### 3.1 Project Need and Project Alternatives

#### 3.1.1 Project Need and Alternatives

As stated in the application, the Project is designed to provide up to 180 MW of incremental transmission capacity required to meet incremental load forecast and improve reliability in the Niagara area.<sup>3</sup> The Project consists of constructing a new 230 kV double circuit transmission line to supply Crowland Transformer Station (TS) and converting Crowland TS to a 230 kV station.<sup>4</sup>

The application states that the Project is non-discretionary because it is being undertaken based on recommendations contained in the Niagara Integrated Regional Resource Plan (IRRP) that was issued on December 22, 2022, and the Niagara Regional Infrastructure Plan (RIP) that was issued on July 12, 2023.<sup>5,6</sup>

The application states that the Project addresses multiple needs:<sup>7,8</sup>

- Increase capacity at Crowland TS and replace aging assets at Crowland TS
- Reduce the severity of the load security issue on the A6C/A7C 115 kV circuits
- Enable other load growth on the 115 kV sub-system

In its interrogatory responses, Hydro One provided five-year historical demand information for stations supplied by Hydro One in the Niagara region. This information is replicated in Table 1 below. Appendix C of the RIP provided a twenty-year (2023-2042) station load forecast for the Niagara region. The historical demand and future load forecast information shows that the Niagara region has experienced steady load growth, which is expected to continue in the coming years.

**Table 1: Five-Year Historic Demand in the Niagara Region<sup>9</sup>**

Year	2021	2022	2023	2024	2025
Peak Demand (MW)	964	909	956	949	1026

<sup>3</sup> Exhibit B, Tab 1, Schedule 1, page 3

<sup>4</sup> Exhibit B, Tab 2, Schedule 1, page 2

<sup>5</sup> Exhibit H, Tab 1, Schedule 1, Attachment 2

<sup>6</sup> Exhibit H, Tab 1, Schedule 1, Attachment 1

<sup>7</sup> Exhibit B, Tab 3, Schedule 1, page 1

<sup>8</sup> Exhibit B, Tab 9, Schedule 1, page 2

<sup>9</sup> Interrogatory Responses, Exhibit I, Tab 1, Schedule 5, part a

The IRRP developed and evaluated portfolios of non-wires and wires alternatives for multiple needs in the Niagara area. As a non-wires alternative, 240 MW of generation was considered. However, to address the multiple, layered, and local needs, a portion of the generation would need to be sited on the distribution system, potentially encountering thermal or short-circuit limitations. In addition, generation is not considered a feasible option for addressing load security needs. The Independent Electricity System Operator (IESO) provided Supplemental Evidence to Support the Need for the Welland Thorold Power Line Project (Supplemental Evidence), which stated “[d]ue to the magnitude, timing, and nature of the need, it was found that non-wires alternatives alone were not sufficient to address the 200 MW need.”<sup>10</sup>

The IRRP and the RIP considered the same two option sets as wires solutions, which are summarized below, with their respective cost estimates.

**Table 2: Estimated Costs of Wires Alternatives**

<b>Option Set 1 (Wires Alternative)</b>	
Rebuild the 115 kV Crowland TS like-for-like and add a second 115 kV station	\$78 million <sup>11</sup>
Uprate A6C/A7C circuits to accommodate new 115 kV station	\$23 million <sup>12</sup>
Add a new 230 kV switchyard at Allanburg TS	\$253 million <sup>13</sup>
<b>Total Cost</b>	<b>\$354 million</b>
<b>Option Set 2 (the Project)</b>	
Construct new 230 kV transformer station to replace 115 kV Crowland TS and build 18 km double circuit 230 kV line to connect new station to Q24HM/Q29HM 230 kV circuits	\$128 million <sup>14</sup>
<b>Total Cost</b>	<b>\$128 million</b>

The IRRP and the RIP recommended the Project (Option Set 2) over the wires alternative (Option Set 1) because it is more cost-effective and offers long-term flexibility to accommodate more load growth in the southern portion of Niagara region.

The IESO’s Supplemental Evidence stated that since the IRRP, the IESO has received a number of requests for System Impact Assessments (SIAs) totaling over 700 MW of new load in the area. The IESO stated that these potential additional load connections reinforce the need for the Project.<sup>15</sup>

<sup>10</sup> Exhibit B, Tab 3, Schedule 1, Attachment 1, page 6

<sup>11</sup> Exhibit H, Tab 1, Schedule 1, Attachment 1, page 35

<sup>12</sup> Exhibit H, Tab 1, Schedule 1, Attachment 1, page 31

<sup>13</sup> Exhibit H, Tab 1, Schedule 1, Attachment 1, pages 32, 35

<sup>14</sup> Exhibit H, Tab 1, Schedule 1, Attachment 1, pages 34-36

<sup>15</sup> Exhibit B, Tab 3, Schedule 1, Attachment 1, page 5

OEB staff submitted that the evidence demonstrates the need for the Project to increase transmission supply capacity to meet the increasing power demands in the Niagara region; to improve system reliability; and to manage future load growth. OEB staff also agreed that the Project is consistent with the recommendations contained in the IRRP and the RIP.<sup>16</sup>

In its reply submission, Hydro One reiterated the multiple needs that the Project will address as identified in the IRRP, the RIP and the IESO Supplemental Evidence. Hydro One noted that, jointly with a separate project at Crowland Switching Station (SS), the Project will support approximately 180 MW of incremental transmission capacity while positioning the system to accommodate the larger volume of prospective growth identified for the area. Hydro One further noted that the Project will also improve transfer capacity between circuits Q24HM and Q29HM and Crowland TS, mitigate load security concerns affecting the existing 115 kV circuits, and reduce reliance on constrained 115 kV supply facilities in the area.<sup>17</sup>

### Conductor Size

For the line portion of the project, Hydro One considered three conductor size alternatives:

- 1192.5 kcmil ACSR conductor
- 1443.7 kcmil ACSR conductor
- 1433.6 kcmil ACSS conductor

Upon considering the impact of line losses and performing a net present value (NPV) sensitivity analysis, Hydro One chose the 1433.6 kcmil ACSS conductor. The NPV sensitivity analysis is shown below.

---

<sup>16</sup> OEB Staff Submission, page 6

<sup>17</sup> Reply Submission, page 4

**Table 3: NPV Sensitivity Analysis of Conductor Size Alternatives<sup>18</sup>**

	<b>Alternative #1 (1192.5 kcmil ACSR)</b>	<b>Alternative #2 (1443.7 kcmil ACSR)</b>	<b>Alternative #3 (1433.6 kcmil ACSS)</b>
Total Cost (\$M)	232.5	233.4	234.9
Annual Losses (MWh)	15,880.30	13,104.01	12,655.21
Losses at System Peak (MW)	2.472	2.040	1.970
<b>Assumptions</b>		<b>Net Present Value</b>	
Energy Price: \$53.16/MWh Capacity Price: \$164,052/MW	-\$229.15M	-\$224.69M	-\$225.13M
Energy Price: \$120/MWh Capacity Price: \$164,052/MW	-\$254.54M	-\$245.65M	-\$245.37M

OEB staff did not take issue with the selection of the 1433.6 kcmil ACSS conductor to be used for the project. OEB staff noted that Hydro One's NPV sensitivity analysis contained inconsistent results and that Hydro One had not provided its rationale for selecting \$120/MWh as the assumed energy price for determining the preferred conductor alternative.

In its reply submission, Hydro One stated:

[T]he 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 leave-to-construct proceedings, 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.<sup>19</sup>

## Findings

### ***Project Need***

The OEB finds that the Project need is established.

This OEB finding is based on two primary considerations: the Project's contribution to meeting the forecasted regional demand growth, and the Project's contribution to system reliability improvement.

<sup>18</sup> Interrogatory Responses, Exhibit I, Tab 1, Schedule 7, page 2

<sup>19</sup> Reply Submission, pages 5-6

In respect of the regional demand growth, the OEB accords weight to the uncontroverted evidence on this record demonstrating that the Project is consistent with the recommendations contained in the IRRP and the RIP.

The OEB also notes that the IESO has received requests for SIAs totaling over 700 MW of new load in the Niagara region. These potential additional load connections demonstrably reinforce the need for the Project.

### ***Project Alternatives***

The OEB finds that the Project - a wires solution - is the best alternative to address the emerging needs in the Niagara region based on the following considerations.

The OEB finds that “Option Set 2” selected by Hydro One is the best alternative, having regard for lower cost, and long-term flexibility which can accommodate more load growth in the southern portion of Niagara region. The OEB makes this finding, relying on the IRRP and the RIP alternatives assessment which developed and evaluated portfolios of non-wires and wires alternatives for multiple needs in the Niagara area concluded that:

- a portion of new generation would need to be sited on the distribution system, potentially encountering thermal or short-circuit limitations
- generation is not considered a feasible non-wires option for addressing load security needs.<sup>20</sup>

The wires option was also supported by OEB staff:

“[w]hile the non-wires options could address the expanded capacity needs for Crowland TS, they were not considered a feasible solution to solve load security needs and were ruled out.”<sup>21</sup>

Additionally, the IESO provided supporting evidence:

“[d]ue to the magnitude, timing, and nature of the need, it was found that non-wires alternatives alone were not sufficient to address the 200 MW need.”<sup>22</sup>

---

<sup>20</sup> Exhibit H, Tab 1, Schedule 1, Attachment 2, page 47

<sup>21</sup> OEB Staff submission, page 7

<sup>22</sup> Exhibit B, Tab 3, Schedule 1, Attachment 1, page 6

---

## **Conductor Size**

The OEB has no objections in regard to the choice of the 1433.6 kcmil ACSS conductor size for the line portion of the project.

The OEB considered Hydro One's sensitivity analysis of three conductor size alternatives for the Project. Although OEB staff noted that Hydro One's NPV sensitivity analysis contained inconsistent results and that Hydro One had not provided its rationale for selecting \$120/MWh as the assumed energy price for determining the preferred conductor alternative, the OEB accepts the explanation provided by Hydro One in its reply that it had "updated its energy-pricing assumptions in Section 92 applications on a go-forward basis following prior intervenor scrutiny of those assumptions."<sup>23</sup>

### **3.1.2 Project Route**

In the application, Hydro One stated that the Project is subject to the applicable Class Environmental Assessment (EA) process and the selected route for the Project utilizes approximately 70% of existing transmission corridor lands, and overall impacts to the natural and socio-economic environments are minimized.<sup>24</sup> Hydro One provided the final Environmental Study Report in its interrogatory responses.<sup>25</sup> Hydro One also provided an overview map showing the geographic location of the facilities for the Project.<sup>26</sup>

In its interrogatories, Futecan requested an update from Hydro One as to whether Hydro One had reconsidered route options specifically related to Futecan's property. In its interrogatory response, Hydro One stated that after considering Futecan's feedback based on routing workshop discussions and technical review, it had updated the route of the Project to reflect preferences and impact mitigation concerns raised by Futecan.<sup>27</sup> Hydro One also updated the associated detailed route map in the application to reflect this change.<sup>28</sup>

---

<sup>23</sup> Reply Submission, page 9

<sup>24</sup> Exhibit B, Tab 6, Schedule 1

<sup>25</sup> [Welland Thorold Power Line Class Environmental Assessment: Final Environmental Study Report](#), November 21, 2025

<sup>26</sup> Exhibit B, Tab 2, Schedule 1, Attachment 1

<sup>27</sup> Interrogatory Responses, Exhibit I, Tab 2, Schedule 1

<sup>28</sup> Exhibit E, Tab 1, Schedule 1, Attachment 1

OEB staff submitted that the project map that Hydro One filed with the application satisfies the requirements of the Act<sup>29</sup> and issue 7.1 of the standard issues list<sup>30</sup> for leave to construct applications. OEB staff submitted that it has no concerns with the proposed route for the Project as established through the EA process and the adjustments made to accommodate Futecan's concerns. OEB staff recognized that, based on Hydro One's interrogatory responses, it appears that work was done between Hydro One and Futecan to find an acceptable solution to both parties.<sup>31</sup>

In its submission, Futecan confirmed that the alternative routing proposed by Hydro One in its interrogatory responses is responsive to Futecan's concerns. Futecan requested that the OEB approve this alternative routing.<sup>32</sup>

The City of Welland submitted that the project costs and scheduling risks outlined in the application and interrogatory responses do not expressly address any impacts to public infrastructure. The City of Welland does not object to the proposed Project. However, the City of Welland submitted that it required clarity as to the full extent of the impacts on existing public infrastructure and the resulting cost and timing consequences for the Project.<sup>33</sup>

In its reply submission, Hydro One reiterated its intention to move forward with the alternate routing specified in its interrogatory responses, and requested that the OEB approve the alternate routing. With respect to the City of Welland's concerns regarding impacts to public infrastructure, Hydro One acknowledged its responsibility for covering costs related to any damages to the property of affected landowners, as outlined in the standard easement agreement submitted to the OEB.<sup>34</sup>

## Findings

The OEB approves the proposed route for the Project as established through the EA process and with the adjustments made to accommodate Futecan's concerns.

---

<sup>29</sup> Section 94 of the Act requires the applicant to file "a map showing the general location of the proposed work and the municipalities, highways, railways, utility lines and navigable waters through, under, over, upon or across which the proposed work is to pass."

<sup>30</sup> [OEB Standard Issues List for Leave to Construct Applications](#)

<sup>31</sup> OEB Staff Submission, page 7

<sup>32</sup> Futecan's Submission, page 1

<sup>33</sup> The City of Welland's Letter of Comment

<sup>34</sup> Reply Submission, page 6

OEB notes that the project map submitted by Hydro One with its application satisfies the requirements of the OEB Act<sup>35</sup> and issue 7.1 of the standard issues list<sup>36</sup> for leave to construct applications and, accordingly, has no concerns with the proposed route for the Project as established through the EA process and the adjustments made to accommodate Futecan's concerns.

The OEB further notes that the detailed route selection is determined in the EA process and that Hydro One carried out consultations with municipal, provincial, and federal government officials and agencies, Indigenous communities, potentially affected and interested persons, businesses, and interest groups and examined route options that were based on social, technical, environmental, and cost considerations, as well as consideration for Indigenous culture, values and land use.<sup>37</sup>

With respect to concerns of the City of Welland regarding impacts to public infrastructure, the OEB expects Hydro One to fulfil its commitments to cover costs related to any damages to City property as outlined in the standard easement agreement submitted to the OEB.

### 3.2 Project Costs

In its application, Hydro One estimated that the total capital cost of the Project is approximately \$311.4 million, consisting of \$234.9 million for line work and \$76.5 million for station work. Hydro One indicated that this cost estimate carries a confidence level consistent with a Class 3 (-20% / +30%) estimate classification under the Association for the Advancement of Cost Engineering (AACE) International system,<sup>38</sup> reflecting a moderate level of definition for project scope, risk, and cost estimation.

#### Future Ownership of Transmission Line

Hydro One expects that, after completion of the Project, the ownership of the transmission line facilities comprising the Project will be transferred to a future limited partnership that will include ownership interests held by two First Nations.

---

<sup>35</sup> Section 94 of the OEB Act requires the applicant to file "a map showing the general location of the proposed work and the municipalities, highways, railways, utility lines and navigable waters through, under, over, upon or across which the proposed work is to pass."

<sup>36</sup> [OEB Standard Issues List for Leave to Construct Applications](#)

<sup>37</sup> [Welland Thorold Power Line Class Environmental Assessment: Final Environmental Study Report](#), page vi

<sup>38</sup> Reply Submission, page 7

---

At the time the application was submitted to the OEB, and at the time that Hydro One responded to OEB staff interrogatories, the formation and structuring of the limited partnership had not been finalized, such that commercial details of the partnership were not provided. Hydro One stated that any limited partnership agreement is not anticipated to impact the cost estimate of the Project.

Hydro One has not requested any deferral accounts to be established, however, it has indicated that until the limited partnership is formed, line work costs associated with the construction of the Project will reside in the OEB-approved Affiliate Transmission Projects (ATP) regulatory account and will not form part of Hydro One's rate base.

### Transmission Line Costs

For the line work, Hydro One referenced three transmission line projects as comparators. These are the Guelph Area Transmission Refurbishment Project, the Power South Nepean Project and the Woodstock Area Transmission Reinforcement Project, all of which involved constructing 230 kV transmission lines in either southwestern or eastern Ontario.<sup>39</sup>

Hydro One stated that these projects were chosen as comparators because they are 230 kV double-circuit transmission lines that included a rebuild of existing 115 kV transmission line and structures.

Hydro One stated that the total project costs on a per-kilometre of line basis for the comparator projects were between \$3.6 million and \$6.5 million, while the Project is estimated to cost \$4.8 million per kilometre.

Hydro One stated that when considering the adjusted comparable cost per kilometre ratio, the estimate for the Project is consistent with the cost to complete comparable transmission lines and is reasonable.

### Station Costs

Hydro One provided cost ranges for comparator projects related to the station work at Crowland TS. Hydro One referenced the St. Isidore TS, Minden TS, and Arnprior TS as comparable projects as they all included the replacement of an existing operational DESN.

---

<sup>39</sup> Guelph Area Transmission Refurbishment Project (EB-2013-0053), Woodstock Area Transmission Reinforcement Project (EB-2007-0027), Power South Nepean Project (EB-2019-0077)

Hydro One stated that the total project costs for the comparator projects were between \$43.2 million and \$52 million. The estimated comparable cost for the Crowland TS station work is \$51.9 million, which is consistent and reasonable with the cost to complete comparable terminal station modification work, given its transformer voltage and capacity rating.

OEB staff submitted that the comparative projects used by Hydro One are appropriate benchmarks for evaluating the costs of the Project and the inflationary adjustments applied to comparator projects by Hydro One appear reasonable. OEB staff noted that the line and station costs for the proposed Project are similar to those of the comparative projects, adjusting for current market conditions.

OEB staff noted that the cost of the Project has grown substantially from the \$128 million estimated in the RIP in 2023 to \$311.4 million quoted in the application but remains lower than the estimate of the wires alternative contained in the RIP.

In its reply submission, Hydro One reiterated that the Project is the lowest cost alternative for meeting the regional needs, as supported by the coordinated regional transmission planning process. Hydro One noted that, at the concept stage, Association for the Advancement of Cost Engineering (AACE) Class 5 estimates are used, which have an expected range of -50%/+100%. The cost estimates included in the application were higher than those in the IRRP and RIP because they are more refined, at an AACE Class 3 level, with expected accuracy of -20%/+30%; they also include environmental mitigation costs, routing, and corresponding land acquisition requirements that were not considered in the RIP forecast.

#### Project Risks and Contingency Costs

Hydro One's cost estimate for the Project includes a contingency allowance to account for various risks, which was developed using a risk management model that involves both qualitative and quantitative analyses. Key risks and mitigation measures identified by Hydro One include:

- Outage Constraints
- Approvals, Permits, and Authorizations
- Archaeology Finds

To mitigate these risks, Hydro One has established communication plans with EPC contractors to manage schedule updates and minimize delays, proactively submitted regulatory applications and prioritized archaeological assessments for sections that have limited capacity for adjustment.

Compared to similar projects, Hydro One noted that the Project carries a higher level of contingency costs due to the unique characteristics of the Project, with more impactful owner-side risks tied to the schedule. Hydro One showed that the Project carries contingency costs of 14.1% for line work and 8% for station work compared to the total project costs. Comparator projects ranged from 8.4%-10.5% for line work and 4.6%-12.3% for station work.

OEB staff submitted that while the contingency costs form a significant portion of the project costs, and the allocation of 14.1% for line work is higher than comparable projects, Hydro One's explanation that this is due to the unique risks carried by the Project is acceptable. Contingency cost allocation of 8% for station work is largely in line with comparable projects.

#### Early Contractor Involvement - Engineering, Procurement, and Construction

Hydro One stated that a modified fixed price Early Contractor Involvement - Engineering, Procurement, and Construction (ECI-EPC) execution methodology was used for the Project. This variation was based on the ECI-EPC process which was approved in the Waasigan<sup>40</sup> and St. Clair Transmission Line Projects,<sup>41</sup> and included cost development through an "open-book process with full transparency on procurement process, as well as the bottom-up estimation process, including production rates and crew composition." This allowed Hydro One and the EPC to more appropriately identify and allocate risks between parties.<sup>42</sup>

Additionally, overhead costs associated with the Project are charged through an ECI-EPC overhead capitalization rate for line and station costs.

OEB staff was supportive of Hydro One's modified ECI-EPC approach with an open-book process, and recognized the need to modify certain processes to meet project specific needs.

OEB staff submitted that that the overhead capitalization methodology is a rates issue and should be reviewed in the first rate application associated with the Project. OEB staff noted that this approach is consistent with the approach taken for the Chatham to Lakeshore Line Project.<sup>43</sup>

---

<sup>40</sup> EB-2023-0198

<sup>41</sup> EB-2024-0155

<sup>42</sup> Interrogatory Responses, Exhibit I, Tab 1, Schedule 11, part d

<sup>43</sup> EB-2022-0140

---

## Findings

The OEB finds Hydro One's project cost estimate of \$311.4 million, consisting of \$234.9 million for line work and \$76.5 million for station work is reasonable.

Hydro One indicated that this cost estimate carries a confidence level consistent with a Class 3 (-20% / +30%) estimate classification under the AACE International system, reflecting a moderate level of definition for project scope, risk, and cost estimation.

The OEB finds that the comparative projects used by Hydro One are appropriate benchmarks for evaluating the costs of the Project and that the inflationary adjustments applied to comparator projects by Hydro One appear reasonable. The OEB also finds that the line and station costs for the proposed Project are similar to those of the comparative projects, adjusting for current market conditions.

The OEB accepts the estimated contingency costs, noting that contingency cost allocation of 8% for station work is largely in line with comparable projects and although the allocation of 14.1% for line work is higher than comparable projects, the OEB accepts Hydro One's explanation that this is due to the unique risks carried by the Project. The OEB notes that prudence of spending of this contingency budget may be examined by the OEB in a prudency review at the appropriate future revenue requirement proceeding after the Project is completed.

The OEB supports Hydro One's modified ECI-EPC approach with an open-book process which recognizes the need to modify certain processes to meet project specific needs.

The OEB notes that the overhead capitalization methodology is a rates issue and should be reviewed in the first rate application associated with the Project.

## 3.3 Consumer Impacts

### 3.3.1 Cost Responsibility

In the application, Hydro One identified the transmission line component of the Project as a line connection facility, and the station component of the Project as a transformation connection facility.

Hydro One proposed to recover 100% of the costs of the transmission line component of the Project from the network pool instead of the line connection pool because, according to Hydro One, the line would:<sup>44</sup>

- Alleviate the strain on the 115 kV transmission system
- Provide enhanced reliability over a 115 kV transmission system supply
- Serve as the first step in a long-term transition towards the elimination of the 115 kV supply in the area
- Eliminate the costs of other investments, e.g. an as is replacement of Crowland TS
- Enable additional load growth in the area

Hydro One identified the work being undertaken at Crowland TS as a transformation connection facility, with 100% of station costs to be recovered through the transformation connection pool.

OEB staff submitted that Hydro One's proposed cost allocation was inconsistent with section 6.3.18 of the Transmission System Code (TSC) and the 2017 [Notice of Proposal to Amend a Code](#) (the Notice) that explained it. Section 6.3.18 contemplates attributing a portion of connection facility costs to the network pool, when the connection facility addresses a broader network system need. The Notice includes an illustrative example of how to calculate proportional benefits between the benefiting customers and all ratepayers;<sup>45</sup> it also cautions against allocating 100% of the cost to the network pool.<sup>46</sup>

Using the cost components of the wires alternative as stated in the RIP as the basis for evaluating proportional benefits between the network and the triggering customers, OEB staff submitted that 71.5% of both the line and station costs should be allocated to the network rate pool, the remaining 28.5% of the line costs should be allocated to the line connection rate pool, and the remaining 28.5% of the station costs should be allocated to the transformation connection rate pool.<sup>47</sup>

In its reply submission, Hydro One stated that OEB staff's allocation methodology is not appropriate and should not be relied upon, and that cost allocation should follow the formula submitted in the application, with 100% of line costs allocated to the network rate pool and 100% of station costs allocated to the transformation connection rate pool. Hydro One stated that there had not been an opportunity to test the reasonableness of

---

<sup>44</sup> Exhibit B, Tab 9, Schedule 1, pages 2-3

<sup>45</sup> Notice of Proposal to Amend a Code, EB-2016-0003, September 21, 2017, page 6

<sup>46</sup> Notice of Proposal to Amend a Code, EB-2016-0003, September 21, 2017, page 5

<sup>47</sup> OEB Staff Submission, pages 13-18

OEB staff's approach. Hydro One also stated that the Project was not triggered by any individual customer, and that it would be unfair to impose a disproportionate cost burden on the first mover customers because it did not currently have agreements with all prospective triggering customers.<sup>48</sup>

Hydro One further questioned the appropriateness of OEB staff's proposed cost allocation because the wires alternative on which it is based was not designed to serve as a cost proxy and the formula did not consider the fact that the existing 115 kV Crowland TS is at end-of-life and must be replaced in any event. Hydro One stated that the wires alternative also does not meet current regional needs in the way that the Project does and may no longer be a technically feasible alternative.<sup>49</sup>

Hydro One expressed concern that OEB staff's proposed apportionment could require a capital contribution from Welland Hydro Electric System Corp. (Welland Hydro) in excess of \$40 million, doubling its 2025 OEB-approved rate base with one investment, and representing a significant potential rate increase for Welland Hydro customers. Hydro One submitted that local distribution companies and their distribution customers should not be required to fund regionally planned transmission investments and that projects designed to serve significant load growth and associated regional needs should be recovered through the network rate pool.<sup>50</sup>

Hydro One further stated that the electricity system, planning needs, and broader provincial context have changed since section 6.3.18 was added to the TSC such that OEB staff's proposed approach is out-of-step with the Provincial government's current policy objectives.<sup>51</sup>

Hydro One pointed to the OEB's discretion and latitude in cost recovery, irrespective of functional categorization alone, highlighting that "[r]ecovery of the Project's costs from the network rate pool 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."<sup>52</sup>

---

<sup>48</sup> Reply Submission, page 16

<sup>49</sup> Reply Submission, pages 11-12

<sup>50</sup> Reply Submission, pages 13-14

<sup>51</sup> Reply Submission, page 14

<sup>52</sup> Reply Submission, page 17

Finally, Hydro One also stated in its reply submission that “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 subsequent consultation on cost-responsibility provisions should ensue.”<sup>53</sup>

In addition to the submissions from parties to the proceeding, the OEB received a letter of public comment filed by Welland Hydro which expressed support for Hydro One’s cost allocation methodology and stated that OEB staff’s methodology would increase both near-term and long-term costs borne by Welland Hydro customers. Welland Hydro also raised concerns that OEB staff did not raise their methodology earlier in the proceeding or provide supporting evidence.<sup>54</sup>

## Findings

The OEB approves Hydro One’s proposal to recover 100% of the costs of the transmission line component of the Project from the network pool instead of the line connection pool.

The OEB rejects the recommendation of OEB staff that 71.5% of both the line and station costs should be allocated to the network rate pool, the remaining 28.5% of the line costs should be allocated to the line connection rate pool, and the remaining 28.5% of the station costs should be allocated to the transformation connection rate pool. The OEB notes that OEB staff based its recommendation on Section 6.3.18 of the TSC and the Notice which contemplate attributing only a portion of connection facility costs to the network pool when the connection facility addresses a broader network system need.

The OEB accepts Hydro One’s formula submitted in its application, wherein 100% of line costs are allocated to the network rate pool and 100% of station costs are allocated to the transformation connection rate pool on the basis that:

- the Project was not triggered by any individual customer and it would be unfair to impose a disproportionate cost burden on the first mover customers because it did not currently have agreements with all prospective triggering customers.<sup>55</sup>
- the wires alternative on which the OEB staff based its recommendation was not designed to serve as a cost proxy and the formula did not consider the fact that the existing 115 kV Crowland TS is at end-of-life and must be replaced in any event.

---

<sup>53</sup> Reply Submission, page 16

<sup>54</sup> Letter of Comment from Welland Hydro dated May 5, 2026

<sup>55</sup> Reply Submission, page 16

- the wires alternative on which the OEB staff based its recommendation also does not meet current regional needs in the way that the Project does and may no longer be a technically feasible alternative.<sup>56</sup>

The OEB has discretion and latitude in cost recovery and takes into consideration customer affordability. In this case OEB staff's proposal would increase both near-term and long-term costs borne by Welland Hydro customers, rendering service more expensive relative to neighbouring jurisdictions.<sup>57</sup>

Welland Hydro is in their second year of a 5-year rate term and a requirement of the apportionment proposed by OEB staff could require a capital contribution from Welland Hydro in excess of \$40 million, doubling its 2025 OEB-approved rate base with one investment, which would translate into a significant potential rate increase for Welland Hydro customers.

In reaching this finding, that Hydro One shall recover 100% of the costs of the transmission line component of the Project from the network pool instead of the line connection pool, the OEB also took into consideration Welland Hydro's concern that OEB staff did not raise their methodology earlier in the proceeding or provide supporting evidence in reaching its recommendations on allocation to the network.

### ***Procedural Fairness***

The OEB acknowledges the procedural fairness concerns raised by Welland Hydro in its Letter of Comment.<sup>58</sup> Welland Hydro submitted that some elements of the April 22, 2026 OEB staff submission introduced a cost allocation approach which the applicant or intervenors didn't have an opportunity to examine.

As the OEB was not persuaded by the OEB staff submission related to the cost allocation approach issue raised by Welland Hydro, it considers the procedural fairness issue to be moot. For clarity, the OEB staff submission resulted in no material impact to this decision on cost responsibility.

### **3.3.2 Transmission Rate Impacts**

In its evidence, Hydro One showed that a 25-year discounted cash flow analysis based on the proposed allocations would result in a Network NPV of -\$146 million and a Transformation NPV of -\$12.4 million. Hydro One estimated that the Project will

---

<sup>56</sup> Reply Submission, pages 11-12

<sup>57</sup> Welland Hydro Letter of Comment, page 3

<sup>58</sup> May 5, 2026

increase the typical residential customer bill, under the Regulated Price Plan by \$0.11 per month or 0.07%. This amounts to an increase of approximately \$1.34 per year.

In its estimate, Hydro One included the cost of a proposed new switching station, which does not form part of the project costs, in the network pool for the rate impact assessment. Hydro One stated that the cost associated with the Crowland SS is \$55.6 million based on an AACE Class 5 estimate. This cost is in addition to the previously mentioned \$311.4 million project cost.

OEB staff took no position on Hydro One's projected rate impacts due to OEB staff's disagreement with Hydro One's proposed cost allocation (as discussed in section 3.3.1). Further, OEB staff submitted that neither the cost of Crowland SS, nor the incremental benefit of Crowland SS, should be included in the projected rate impact associated with the Project because Crowland SS is a separate investment that will, if undertaken, provide incremental benefits beyond those provided by the Project.<sup>59</sup>

Hydro One stated in its reply submission that the inclusion of Crowland SS in the rate impacts is reasonable as the need for Crowland SS is to address broader economic growth objectives, in addition to current reliability requirements. Hydro One disagreed with OEB staff's position and noted that the [OEB's filing requirements for electricity transmission leave to construct applications](#) (Filing Requirements) outline that the rate impact assessment must cover short-term and long-term impacts of the Project. Additionally, Hydro One stated that in order to satisfy the conditions of the SIAs, in line with the leave to construct conditions of approval, the investment in Crowland SS would need to be included.<sup>60</sup>

## Findings

The OEB notes and accepts Hydro One's estimate that the Project will increase the typical residential customer bill under the Regulated Price Plan by \$0.11 per month or 0.07%, resulting in an increase of approximately \$1.34 per year.

The OEB acknowledges Hydro One's inclusion of a proposed new switching station (Crowland SS), which does not form part of the project costs, in the network pool for the rate impact assessment. The OEB agrees with OEB staff that the new switching station is a separate investment that will provide incremental benefits beyond those provided by the Project but accepts Hydro One's conclusions that:

---

<sup>59</sup> OEB Staff Submission, pages 19-20

<sup>60</sup> Reply Submission, pages 13-14

- the new switching station is needed to address broader economic growth objectives, in addition to current reliability requirements
- the Filing Requirements outline that the rate impact assessment must cover both short-term and long-term impacts of the Project
- the new switching station serves to satisfy the conditions of the SIA.

### 3.4 Reliability and Quality of Service

The IESO's final SIA report, dated November 19, 2025, concluded that the Project is expected to have no material adverse impact on the reliability of the integrated power system, provided that all requirements of the SIA report are implemented.<sup>61</sup>

Hydro One's final Customer Impact Assessment (CIA), dated November 21, 2025, concluded that the proposed work will not have adverse effect on Hydro One transmission customers in the electrical vicinity.<sup>62</sup>

OEB staff took no issues with the reliability and quality of service associated with the Project, considering Hydro One's evidence and the conclusions of the IESO's SIA and Hydro One's CIA.<sup>63</sup>

#### Findings

The OEB finds that the Project will improve system reliability in the long term to meet increasing power demand and that it is not expected to present any material adverse impact on the reliability and quality of service provided.

The Project is designed to provide up to 180 MW of incremental transmission capacity required to meet incremental load forecast and improve reliability in the Niagara area.<sup>2</sup> Additionally, the Project is non-discretionary because it is being undertaken based on recommendations contained in the IRRP and the RIP.

Consistent with its findings with respect to Project Need above, the OEB finds the increase in transmission supply capacity is required to meet the increasing power demands in the Niagara region and to improve system reliability.

In its interrogatory responses, Hydro One provided five-year historical demand information for stations supplied by Hydro One in the Niagara region. Appendix C of the RIP provided a twenty-year (2023-2042) station load forecast for the Niagara region.

---

<sup>61</sup> Exhibit F, Tab 1, Schedule 1, Attachment 1

<sup>62</sup> Exhibit G, Tab 1, Schedule 1, Attachment 1

<sup>63</sup> OEB Staff Submission, page 20

---

The historical demand and future load forecast information shows that the Niagara region has experienced steady load growth, which is expected to continue in the coming years.

Based on the IESO's final SIA report, dated November 19, 2025, the OEB finds that the Project is unlikely to have any material adverse impact on the reliability of the integrated power system, provided that all requirements in the SIAs are implemented, and that it will improve supply reliability for connected customers.

The OEB considers quality of service to include price as well as reliability, and based on the findings in this proceeding, has no concern with respect to either.

### 3.5 Economic Growth

In the application, Hydro One did not state whether or not the Project will support economic growth.

OEB staff did not make a submission regarding economic growth.

In its reply submission, Hydro One submitted that 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.<sup>64</sup>

Hydro One submitted that the Minister's direction in the [Energy for Generations, Ontario's Integrated Plan to Power the Strongest Economy in the G7 \(June 2025\)](#) (IEP) recognizes that the existing connection cost recovery framework needs to be thoughtfully applied, referencing the following paragraph of the IEP in its reply submission.<sup>65</sup>

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.<sup>66</sup>

---

<sup>64</sup> Reply Submission, page 18

<sup>65</sup> Reply Submission, page 18

<sup>66</sup> IEP, page 86

Hydro One submitted that the Project will 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. Hydro One also noted that the Project will ultimately be owned by a future Indigenous partnership and has been tracked through Hydro One's ATP Account. Hydro One submitted that this economic reconciliation 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."

## Findings

Notwithstanding the notice provided to the parties through the list of issues on March 5, 2026, as a matter of fairness, the OEB chooses to make no findings in respect of the requirements of section 96(2)2 of the OEB Act, as it did not exist at the time of the filing of this application.

The current application is one of the first applications subject to adjudication since the introduction of the new OEB Act objective related to economic growth. However, this application was filed on November 17, 2025, meaning before the December 11, 2025 date on which the *Protect Ontario by Securing Affordable Energy for Generations Act, 2025* received Royal Assent. Hydro One's application must be considered in accordance with the provisions of the OEB Act at the time of submission of its application.

In its reply, Hydro One observed the following in regards to "economic growth":

"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."

While the OEB acknowledges Hydro One's submissions on this record in response to the OEB's introduction of "economic growth" as an issue, the OEB will account for these submissions as they relate to other matters considered in this application, and not specifically in relation to the section 96(2) "economic growth" statutory language.

That said, the OEB acknowledges that this record contains plausible but very general claims which seem directionally aligned with the objective of "supporting economic growth in a manner consistent with the policies of the Government of Ontario", 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.<sup>67</sup>
  - will 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 region.<sup>68</sup>
  - will be delivered with the aim that the Project will ultimately be owned by a future Indigenous partnership,<sup>69</sup> thereby contributing to the advancement of economic reconciliation in alignment with the objectives of the IEP.

### 3.6 Landowner Agreements

As stated in the application, the proposed transmission line corridor will be 18.5 km in length and nominally 30 metres in width for the majority of the length with some stretches varying up to 49 metres wide. The corridor will impact approximately 72.3 hectares of land. Table 4 below provides a summary of the property types and sizes required.<sup>70</sup>

---

<sup>67</sup> Reply Submission, page 18

<sup>68</sup> Reply Submission, page 19

<sup>69</sup> Reply Submission, page 19

<sup>70</sup> Exhibit E, Tab 1, Schedule 1

**Table 4: Summary of Property Types and Sizes Required**

Land Ownership Type	Count	Area (Hectares)	Proportion of the Route (%)
Private Lands	46	37.54	52%
Brownfield	31	23.22	32%
Greenfield	15	14.32	20%
Federal Lands	3	5.75	8%
Provincial Lands	6	0.59	1%
Municipal Lands	7	4.53	6%
Railway Lands	3	0.47	1%
<b>No New Rights Required</b>			
Provincial Lands (Bill 58 – Hydro One owned land)	22	18.42	25%
Public Road Allowance	37	4.29	6%
Private Land Already Acquired	1	0.73	1%
<b>Total</b>	<b>125</b>	<b>72.31</b>	<b>100%</b>

Hydro One stated that the Project aligns with the *Ministry of Municipal Affairs and Housing Provincial Policy Statement, 2024* as the Project makes use of existing infrastructure and facilities and, where possible, uses existing transmission corridor lands and existing Rights of Way.<sup>71</sup>

As shown in Table 4, the Project will require Hydro One to acquire land rights from 65 directly impacted properties, consisting of 46 privately held properties, three federally held properties, six provincially held properties, seven municipally held properties, and three railway crossings. Hydro One requires permanent interest from property owners and has achieved early access agreements on approximately 78% of the private properties that require new land rights.<sup>72</sup> Hydro One further provided that, as of March 2026, it had reached two additional voluntary settlement agreements with private landowners.<sup>73</sup>

The Project will include a combination of the following land rights requirements:<sup>74</sup>

- Hydro One License of Occupation on Federally owned lands and/or easements.

<sup>71</sup> Exhibit E, Tab 1, Schedule 1

<sup>72</sup> Exhibit E, Tab 1, Schedule 1, pages 1-4

<sup>73</sup> Interrogatory Responses, Exhibit I, Tab 1, Schedule 25, part a

<sup>74</sup> Exhibit E, Tab 1, Schedule 1, page 2

- Permanent Easement rights on private and municipal/provincial properties (new land rights required).
- Rail crossing agreements (new land rights required).
- Temporary access and/or construction rights on federally, provincially, municipally owned and private properties for access roads, temporary work headquarters, laydown areas, and material storage facilities (new land rights required).

Hydro One included the land right agreements that it proposed to use for the Project in the application. Table 5 below provides where the form of these agreements were previously approved. Hydro One noted that there were no substantive changes to the forms of the agreements proposed.<sup>75</sup>

**Table 5: Forms of Land Rights Agreements and Prior OEB Approvals**

Form of Agreement	Previous OEB Docket
Early Access Agreement	EB-2024-0155, Exhibit E, Tab 1, Schedule 1, Attachment 3
Option to Purchase a Limited Interest – Easement	EB-2024-0155, Exhibit E, Tab 1, Schedule 1, Attachment 4
Compensation and Incentive Agreement – Easement	EB-2024-0155, Exhibit E, Tab 1, Schedule 1, Attachment 5
Option to Purchase a Limited Interest – Easement with a Voluntary Buyout Offer	EB-2024-0155, Exhibit E, Tab 1, Schedule 1, Attachment 8
Agreement for Temporary Rights	EB-2024-0155, Exhibit E, Tab 1, Schedule 1, Attachment 9
Off Corridor Access	EB-2024-0155, Exhibit E, Tab 1, Schedule 1, Attachment 10
Crop Land Out of Production Agreement	EB-2024-0155, Exhibit E, Tab 1, Schedule 1, Attachment 11
Damage Claim Agreement/Waiver	EB-2024-0155, Exhibit E, Tab 1, Schedule 1, Attachment 12
Agreement to Purchase a Limited Interest – Easement	Not Applicable

In its interrogatory responses, Hydro One stated that it is changing its land acquisition strategy as a result of PO #2, whereby the OEB established that the leave to construct and expropriation requests of this application would not be addressed concurrently. Specifically, Hydro One is shifting from pursuing option agreements to presenting an

<sup>75</sup> Exhibit E, Tab 1, Schedule 1, pages 5-6

“Agreement to Purchase a Limited Interest – Easement” with a signing bonus if exercised prior to June 30, 2026. Hydro One noted that the aim of this change is to accelerate the land acquisition process so that Project timelines are maintained by minimizing the need for expropriation relief. Hydro One also noted that this change in approach is not expected to increase forecast costs.<sup>76</sup>

In its interrogatory responses, Hydro One confirmed that all impacted landowners will have the option to receive independent legal advice regarding the proposed agreements. Hydro One has also agreed to reimburse all impacted landowners for reasonable transaction expenses such as legal fees incurred during the review and completion of required conveyancing of documents.<sup>77</sup>

OEB staff had no concerns with the proposed forms of agreements.

In addition to the above, for this proceeding, the intervenor 2853918 filed a letter with the OEB raising concerns regarding the potential expropriation of their land.<sup>78</sup> Also, a letter of public comment was filed by Travis Montague asking whether the Project would be constructed on a pre-existing easement or whether land would be expropriated, and if there would be any rate impact.<sup>79</sup> As noted above, Hydro One’s application for expropriation is not being addressed in this decision as the OEB decided that if leave to construct is granted, Phase 2 of this proceeding will address Hydro One’s expropriation request.

## Findings

The OEB finds the proposed forms of landowner agreements appropriate and consistent with OEB requirements.

The OEB approves the proposed forms of agreements offered (or to be offered) by Hydro One to owners of land affected by the route and location of the Project.

The OEB is satisfied that sufficient consultation has occurred with landowners and other stakeholders along the route as per the evidence filed by Hydro One in this regard.

In its approval of the proposed forms of agreements, the OEB has taken the following into consideration:

---

<sup>76</sup> Interrogatory Responses, Exhibit I, Tab 1, Schedule 25, part a

<sup>77</sup> Interrogatory Responses, Exhibit I, Tab 1, Schedule 25, parts c-e

<sup>78</sup> 2853918 filed their letter on January 8, 2026 and were subsequently granted intervenor status in Procedural Order No. 1 dated February 6, 2026.

<sup>79</sup> Letter of Comment from Travis Montague dated March 16, 2026

- 
- These forms of agreement have been previously approved by the OEB.
  - Hydro One has made a commitment that affected landowners will be afforded an opportunity to receive independent legal advice during discussions regarding acquisition of land rights and that landowners who avail themselves of this opportunity will be reimbursed for reasonably incurred legal fees associated with the review and completion of the necessary land rights agreements.

### 3.7 Conditions of Approval

The OEB Act permits the OEB, when making an order, to impose such conditions as it considers proper. The OEB has established a set of [standard conditions of approval for transmission Leave to Construct applications](#).

Hydro One confirmed that it consents to the standard conditions of approval.<sup>80</sup>

In its submission, OEB staff proposed that, if leave to construct is granted, the standard conditions of approval be placed on Hydro One.<sup>81</sup>

### Findings

The OEB grants leave to construct the Project subject to standard conditions of approval, attached as Schedule B that have been approved by the OEB in prior leave to construct proceedings and have been accepted in these proceedings by Hydro One. No additional or revised conditions are required.

---

<sup>80</sup> Interrogatory Responses, Exhibit I, Tab 1, Schedule 26

<sup>81</sup> OEB Staff Submission, page 30

## 4 ORDER

### THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Hydro One Networks Inc. is granted leave, pursuant to section 92 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B), to construct the Project as described in the application.
2. Leave to construct is subject to Hydro One Networks Inc. complying with the Conditions of Approval set forth in Schedule B.
3. The Ontario Energy Board approves the proposed forms of agreements that Hydro One Networks Inc. has offered or will offer to each owner of land affected by the Project.
4. 2853918 Ontario Inc. and Futecan Canada Inc. shall file with the Ontario Energy Board, and forward to Hydro One Networks Inc., their cost claims in accordance with the Ontario Energy Board's Practice Direction on Cost Awards by **July 21, 2026**.
5. Hydro One Networks Inc. shall file with the Ontario Energy Board, and forward to 2853918 Ontario Inc. and Futecan Canada Inc. any objections to the claimed costs by **July 28, 2026**.
6. If Hydro One Networks Inc. objects to any intervenor costs filed by the intervenor(s), the corresponding intervenor(s) shall file with the Ontario Energy Board, and forward to Hydro One Networks Inc., any responses to any objections to cost claim by **August 4, 2026**.
7. Hydro One Networks Inc. shall pay the Ontario Energy Board's costs of and incidental to this proceeding upon receipt of the Ontario Energy Board's invoice.

Parties are responsible for ensuring that any documents they file with the OEB, such as applicant and intervenor evidence, interrogatories and responses to interrogatories or any other type of document, **do not include personal information** (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's [Rules of Practice and Procedure](#).

---

Please quote file number, **EB-2025-0290** for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the [OEB's online filing portal](#).

- Filings should clearly state the sender's name, postal address, telephone number and e-mail address.
- Please use the document naming conventions and document submission standards outlined in the [Regulatory Electronic Submission System \(RESS\) Document Guidelines](#) found at the [File documents online page](#) on the OEB's website.
- Parties are encouraged to use RESS. Those who have not yet [set up an account](#), or require assistance using the online filing portal can contact [registrar@oeb.ca](mailto:registrar@oeb.ca) for assistance.
- Cost claims are filed through the OEB's online filing portal. Please visit the [File documents online page](#) of the OEB's website for more information. All participants shall download a copy of their submitted cost claim and serve it on all required parties as per the [Practice Direction on Cost Awards](#).

All communications should be directed to the attention of the Registrar and be received by end of business, 4:45 p.m., on the required date.

Email: [registrar@oeb.ca](mailto:registrar@oeb.ca)

Tel: 1-877-632-2727 (Toll free)

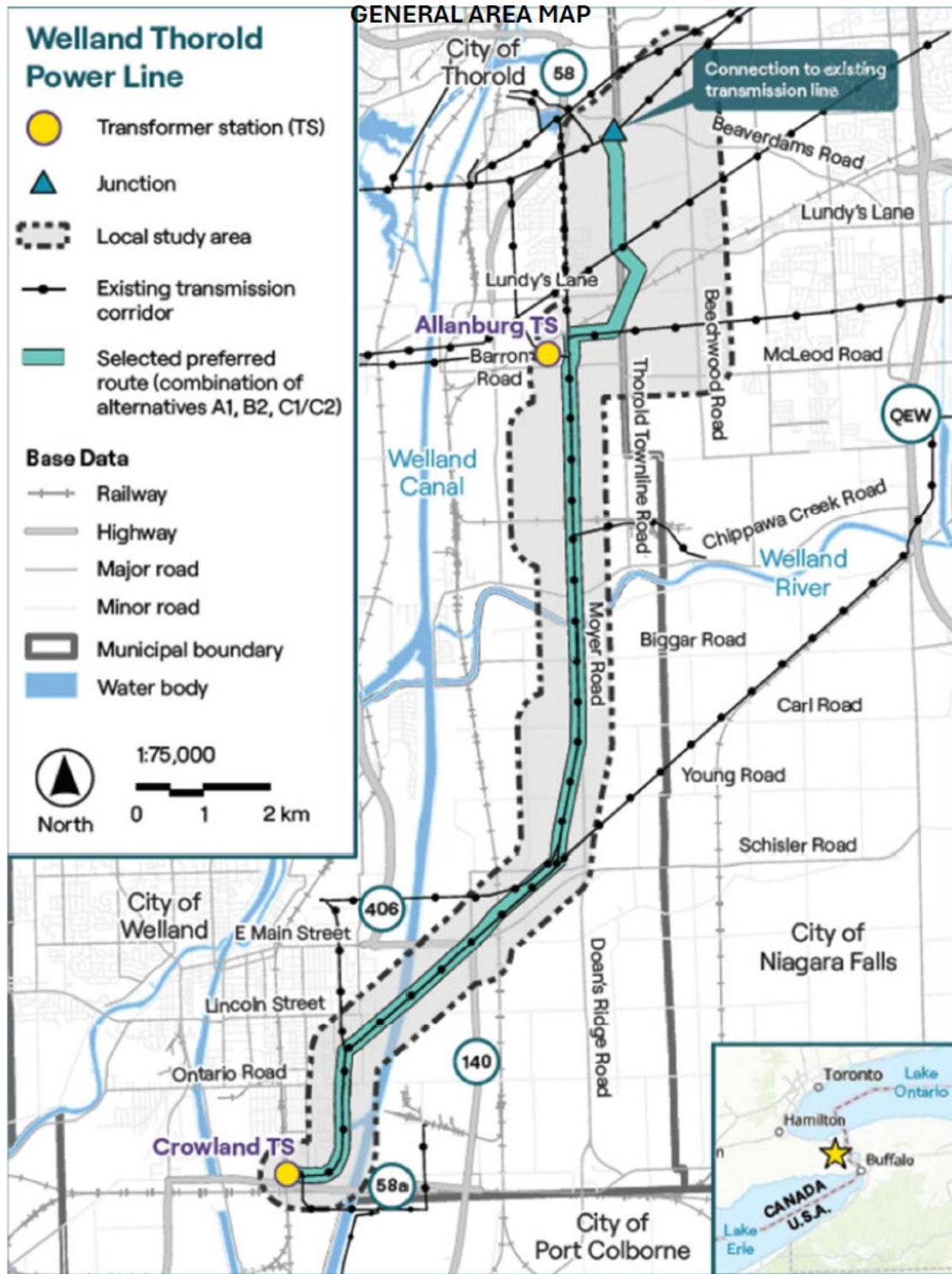
**DATED** at Toronto, **July 9, 2026**

**ONTARIO ENERGY BOARD**

Ann Zeng  
Deputy Registrar, Adjudicative Projects  
Acting under delegated authority of the Registrar

**SCHEDULE A**  
**DECISION AND ORDER**  
**HYDRO ONE NETWORKS INC.**  
**EB-2025-0290**  
**JULY 9, 2026**

## SCHEDULE A: PROJECT OVERVIEW MAP



**SCHEDULE B**  
**DECISION AND ORDER**  
**HYDRO ONE NETWORKS INC.**  
**EB-2025-0290**  
**JULY 9, 2026**

**SCHEDULE B: STANDARD CONDITIONS OF APPROVAL  
FOR ELECTRICITY LEAVE TO CONSTRUCT APPLICATION  
HYDRO ONE NETWORKS INC.  
EB-2025-0290**

1. Hydro One Networks Inc. shall fulfill any requirements of the SIA and the CIA, and shall obtain all necessary approvals, permits, licences, certificates, agreements and rights required to construct, operate and maintain the project.
2. Unless otherwise ordered by the OEB, authorization for leave to construct shall terminate 12 months from the date of the Decision and Order, unless construction has commenced prior to that date.
3. Hydro One Networks Inc. shall advise the OEB of any proposed material change in the project, including but not limited to changes in: the proposed route, construction schedule, necessary environmental assessment approvals, and all other approvals, permits, licences, certificates and rights required to construct the project.
4. Hydro One Networks Inc. shall submit to the OEB written confirmation of the completion of the project construction. This written confirmation shall be provided within one month of the completion of construction.
5. Hydro One Networks Inc. shall designate one of their employees as project manager who will be the point of contact for these conditions, and shall provide the employee's name and contact information to the OEB and to all affected landowners, and shall clearly post the project manager's contact information in a prominent place at the construction site.