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BY EMAIL AND RESS

August 7, 2026

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

Dear Mr. Murray,

EB-2026-0112 – Hydro One Networks Inc. Leave to Construct Application – D6 Relocation Project – Response to OEB Clarification Questions

In accordance with the directions detailed in the Ontario Energy Board's ("OEB") Clarification Questions Letter issued July 28, 2026, Hydro One Networks Inc. provides the following responses.

An electronic copy of the responses has been submitted using the OEB's Regulatory Electronic Submission System.

Sincerely,

Pasquale Catalano

OEB CLARIFICATION QUESTION - 01

<u>Question:</u>

Clarify whether the estimated $37.1 million capital cost and the $3.1 million removal cost for the proposed D6 Relocation Project is included within the cost envelope of the larger D6 Refurbishment project considered in Hydro One's 2020-2022 Transmission revenue requirement proceeding (EB-2019-0082).

If the total cost envelope is expected to be higher, please clarify how much of the proposed leave to construct cost is incremental and explain the differential between the cost of refurbishing these assets without relocation as originally planned, and the current cost estimates.

<u>Response:</u>

The scope of work over which Hydro One is seeking OEB leave to construct authority was not included within the forecast cost envelope of Hydro One's 2020-2022 revenue requirement proceeding (EB-2019-0082).

The forecast expenditure included in EB-2019-0082 contemplated an in-situ sustainment investment along the current route of the D6 circuit; a significant portion of which is located within Department of Defence ("DND") owned lands. As depicted in Table 2 of **Exhibit B, Tab 7, Schedule 1** of the Application, Hydro One completed the refurbishment of approximately 48 km of the total 77 km of the D6 circuit in November 2022 at a cost of $34.7M.

However, given the safety and operational reasons detailed in **Exhibit B, Tab 3, Schedule 1**, the balance of the segment of the circuit that traverses the DND training grounds were halted at the request of the DND and required the initiation of a completely different project – the D6 Relocation Project – which has never been incorporated into the rate base that underpins a Hydro One revenue requirement.

Despite ultimately achieving similar aims, i.e., completing the sustainment of the D6 circuit, the D6 Relocation Project materially differs from the completed D6 segment that was completed in-situ as contemplated in EB-2019-0082. This is because the proposed D6 Relocation is effectively a greenfield build. More specifically, as detailed in **Exhibit E, Tab 1, Schedule 1**, the D6 Relocation Project consists of the construction of a new 21 km 'greenfield' 115 kV transmission line on a new right-of-way, the majority of which is geographically located along Highway 17. Consequently, and dissimilar to the originally contemplated project that was forecast in EB-2019-0082, the D6 Relocation Project requires Hydro One to acquire land rights from 35 directly impacted properties, consisting of five privately held properties, 10 municipally held properties, four provincially held properties, and 16 federally held properties. All 16 federally held properties are within the boundaries of the DND Petawawa Base, and Hydro One has acquired all the rights to the privately held properties. The land right acquisition costs would not have been contemplated in EB-2019-0082.

Similarly, this greenfield solution necessitates incurring incremental costs associated with necessary study, design and engineering, right of way preparation, new foundations, new structures, and other new items (including approvals that would otherwise be unnecessary for an in-situ sustainment that would not require land approvals such as leave to construct under s.92(2) of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B). These items all introduce costs that are dissimilar to what would otherwise have been contemplated in a forecast cost for an in-situ refurbishment and were not considered in the forecast cost provided in EB-2019-0082. The total cost of this D6 Relocation Project is therefore fully incremental to the forecast costs depicted in EB-2019-0082.

OEB CLARIFICATION QUESTION - 02

<u>Question:</u>

Please clarify the status of Hydro One's existing easement through the Department of National Defence land, and if the proposed relocation extinguishes the existing easement. Please identify specific instances when Hydro One was unable to obtain access to the existing line for operation and maintenance tasks given the Defence Controlled Access Area Regulations.

<u>Response:</u>

Hydro One currently holds an existing easement agreement with the Department of Defence ("DND") applicable to the subject lands. This easement remains in effect and continues to provide Hydro One with the rights necessary for the operation, maintenance, inspection, repair and replacement of its transmission facilities within the easement corridor.

The long-term disposition of the existing easement has not yet been finalized and remains subject to ongoing discussions with the DND. Engagement with the DND has been constructive, and discussions are progressing positively toward establishing the appropriate land rights framework for both the proposed relocation of transmission line facilities and the existing easement area. Hydro One will continue to work collaboratively with the DND to finalize the required arrangements.

As identified in **Exhibit B, Tab 3, Schedule 1**, Attachment 2, the DND provided clear guidance that maintenance of the circuit via an in-situ sustainment project was not possible based on (i) the operational training schedule of the DND and (ii) the fact that Hydro One would not be able to have continued/unrestricted access to Garrison Petawawa live-fire training area for 4-5 days at a time. This example demonstrates that notwithstanding the existing easement agreements, the *Defence Controlled Access Area Regulations*, SOR/86-957 ("the Defence Controlled Access Area Regulations") supersedes Hydro One's existing land rights and provides the DND with the ability to restrict Hydro One's access to the corridor.

Since the filing of the Application, another instance has occurred where Hydro One was unable to obtain timely access to the existing line for operation and maintenance tasks due to the Defence Controlled Access Area Regulations.

On May 29, 2026, Hydro One's crews responded to a storm-caused outage on the D6 circuit, where a tree had fallen onto the conductor. The location of the damage caused by the fallen tree was outside of the DND base. To ensure the balance of the circuit was free of other storm debris or damage, Hydro One's standard reenergization protocols are to complete a patrol inspection of the balance of the affected line section before restoring service.

However, due to sections of the circuit being situated within the Defence Controlled Access Area, Hydro One's requests to the DND to conduct the required patrol inspection were initially denied. In order to arrange and gain adequate access to the DND-located section of the circuit, Hydro One had to postpone circuit re-energization and engage with the DND to negotiate a temporary exception to the area's exclusion zone in order to complete the inspection. After considerable engagement discussions, a limited access window was granted by the DND.

During that inspection patrol, undertaken via helicopter, Hydro One identified a second fallen tree that had made contact with the circuit's conductor, requiring removal and line restoration. Had the required DND access not been granted, the line may have been restored to service with an undetected hazard still present, creating a risk of a subsequent outage, including the potential for brush fire, and additional damage to the transmission infrastructure.

These examples demonstrate how the Defence Controlled Access Area Regulations impede Hydro One's ability to carry out critical operation and maintenance activities in a timely manner on its transmission facilities. Obtaining timely access to Hydro One's currently situated D6 transmission corridor on DND lands is lengthy and precarious, even for urgent activities such as line inspection patrols required to safely restore service following an outage, such as the example discussed above. The proposed new route is unobstructed by the DND's operations on the military base and is anticipated to remove current access issues.

OEB CLARIFICATION QUESTION - 03

Question:
Please provide information on the easement rights Hydro One plans to obtain from the Department of National Defence for the proposed relocated route to ensure Hydro One has sufficient access for operation and maintenance tasks, assuming the D6 Relocation Project is approved by the OEB.

Response:
The acquisition of easement rights for the Department of National Defence ("DND") properties is progressing through continued engagement and coordination between Hydro One and the DND.

Hydro One continues to engage in key discussions and review activities and has made positive progress toward securing the land rights required for the designated right-of-way ("ROW").

Although the easement rights have not yet been legally finalized, Hydro One's process to acquire those rights remains on track for voluntary settlement in the near-term.

Hydro One has received and reviewed several of the required draft reference plans that identify the required property rights along the proposed route, and those plans are in the process of being deposited with the Land Registry Office. This step represents an important milestone in the land acquisition process and positions Hydro One well for the timely completion and possession of the required land rights which ultimately will facilitate the successful execution and delivery of this Project.

At the time of providing these responses to the OEB, Hydro One has no reason to believe that it will not be granted the permanent land rights required, including sufficient access to those lands for ongoing operational and maintained requirements (as further discussed by Hydro One in the response to the OEB's second clarification question).

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