BY EMAIL AND RESS

August 20, 2026

Mr. Ritchie Murray
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Dear Mr. Murray,

EB-2026-0154 – Hydro One Networks Inc. Leave to Construct Application – Northeast Power Line Project Interrogatory Responses – Confidentiality Request

In accordance with Procedural Order No.1, issued July 22, 2026, Hydro One filed an electronic copy of its responses to interrogatory questions posed by Ontario Energy Board ("OEB") Staff and noted that a confidentiality request would be submitted for some of the responses.

In accordance with Rule 10.01 of the OEB Rules of Practice and Procedure (the "Rules") and the OEB's Practice Direction on Confidential Filings dated December 17, 2021 (the "Practice Direction"), Hydro One is hereby requesting confidential treatment of certain information contained in its responses to OEB Staff interrogatories. The specific information for which Hydro One seeks confidential treatment and a summary of supporting rationale are set out below as required by Section 5 of the Practice Direction.

No.	IR	Response or Exhibit, and the information for which confidential treatment is being requested	Presumptively confidential category (Appendix B)	Additional Alternative Rationale, reasons and harms (Appendix A)
1.	OEB Staff 4(b)(c)	Exhibit I, Tab 1, Schedule Attachments 1-6		The Attachments consist of Excel spreadsheets showing the calculation of the Project's annual line losses. The requested information consists of commercial material that is consistently treated in a confidential manner by Hydro One. Disclosure of this information could prejudice the competitive position of wholesale market participants, likely producing significant loss or gain. Confidential treatment of this commercially sensitive information is consistent with the OEB's Decision and Order dated March 15, 2021 in EB-2020-0265, January 16, 2024 in EB-2023-0198, and October 16, 2024 in EB-2024-0155 .

No.	IR	Response or Exhibit, and the information for which confidential treatment is being requested	Presumptively confidential category (Appendix B)	Additional Alternative Rationale, reasons and harms (Appendix A)
2.	OEB Staff 7(h)	Exhibit I, Tab 1, Schedule 7	Unit billing of a third party (EPC contractor).	Information related to Engineering, Procurement and Construction ("EPC") contract. Confidential treatment of this commercially sensitive information is consistent with the OEB's Decision and Orders dated December 12, 2019, in EB-2019-0082, November 9, 2022, in EB-2022-0041, January 16, 2024 in EB-2023-0198, and October 16, 2024 in EB-2024-0155.
3.	OEB Staff 8(c)	Exhibit I, Tab 1, Schedule 8, part c)	Unit billing of a third party (EPC contractor).	Information related to Engineering, Procurement and Construction ("EPC") contract. Confidential treatment of this commercially sensitive information is consistent with the OEB's Decision and Orders dated December 12, 2019, in EB-2019-0082, November 9, 2022, in EB-2022-0041, January 16, 2024 in EB-2023-0198, and October 16, 2024 in EB-2024-0155.
4.	OEB Staff 11 (a)	Exhibit I, Tab 1, Schedule 11, Attachment 1	Unit billing of a third party (EPC contractor).	Information related to Engineering, Procurement and Construction ("EPC") contract. Confidential treatment of this commercially sensitive information is consistent with the OEB's Decision and Orders dated December 12, 2019, in EB-2019-0082, November 9, 2022, in EB-2022-0041, January 16, 2024 in EB-2023-0198, and October 16, 2024 in EB-2024-0155.

Given the commercially sensitive nature of the information, Hydro One proposes that the confidential versions of its responses to the above-noted OEB Staff interrogatories be treated as confidential and disclosed only to persons that meet the criteria of section 6.1.2 of the Practice Direction and that have submitted a signed Declaration and Undertaking in the form required by the Practice Direction.

The need for the relief requested outweighs the OEB's general public interest objectives of information transparency and openness. Specifically, the noted responses and the entire attachments contain highly commercially sensitive information. Hydro One's EPC contracts are bespoke documents that pertain

specifically to the facts and circumstances of this Project. The terms and conditions contained in these agreements are the subject-matter of good faith negotiations.

Hydro One's experience as a transmission and distribution project developer is that there are a limited number of EPC vendors offering utility services in Ontario such that disclosure of the requested information could prejudice the EPC contractor's competitive position in future competitive procurements or bids with other and future potential clients.

Disclosure of the confidential information could also prejudice the EPC contractor's subcontracting negotiations for the Project that is the subject of this proceeding.

In addition, disclosing this information could interfere significantly with Hydro One's other and future negotiating position regarding other outsourcing agreements with the potential to reduce Hydro One's likelihood of receiving lowest cost bids.

Please contact Hydro One's counsel in this proceeding if you have any questions regarding the foregoing.

Sincerely,

Pasquale Catalano

Cc: Ljuba Djurdjevic

TRANSMISSION LOSSES WORKBOOK DETAILED

This attachment has been filed separately in MS Excel format. Confidential treatment of this attachment has been requested separately.

TRANSMISSION LOSSES WORKBOOK

This attachment has been filed separately in MS Excel format. Confidential treatment of this attachment has been requested separately.

LINE LOSS ALTERNATIVE NPV MODEL - ALT 1

This attachment has been filed separately in MS Excel format. Confidential treatment of this attachment has been requested separately.

LINE LOSS ALTERNATIVE NPV MODEL - ALT 2

This attachment has been filed separately in MS Excel format. Confidential treatment of this attachment has been requested separately.

LINE LOSS ALTERNATIVE NPV MODEL - ALT 3

This attachment has been filed separately in MS Excel format. Confidential treatment of this attachment has been requested separately.

LINE LOSS ALTERNATIVE NPV MODEL - ALT 4

This attachment has been filed separately in MS Excel format. Confidential treatment of this attachment has been requested separately.

OEB STAFF INTERROGATORY - 07

Reference:

Exhibit B-7-1, Pages 2-3

Preamble:

Hydro One states that the Project cost estimate is based on a fixed-price EPC contractor bid. Further, Hydro One notes that as of the date of the application filing the EPC bids have been short-listed and evaluations and negotiations with short-listed EPC contractors are ongoing to determine the successful EPC bidder. Hydro One also states that a full EPC approach was selected for STATCOM-specific work at the stations.

Interrogatory:

a) Please provide an update on the EPC contractor selection process. Has the successful EPC contractor been selected?

b) If the successful EPC contractor has been selected, please clarify if there are any changes to the proposed costs that have been stated in the application.

c) Please provide an update on the EPC process for the STATCOM-specific work.

d) Please discuss how the EPC contractor was selected among different EPC contractors for both line and station work. Please include a list of the specific functions the contractors were assessed on.

e) Please discuss how Hydro One determined that utilizing the successful contractor's bid is more cost-effective than Hydro One performing the work itself.

f) Please clarify how the Project cost was estimated based on the fixed-price EPC contract, and why the cost estimate reflects market price.

g) Please provide details on how cost overruns will be handled between Hydro One and the selected contractor.

h) Please provide a breakdown of the fixed-price EPC contract by line costs and station costs. Please clarify if this cost is included in the Project costs shown in Tables 1 and 2 of Exhibit B, Tab 7, Schedule 1.

i) What is the magnitude of the EPC contract as a percentage of the total Project cost?

Response:

a) Yes, the selection has been completed for the NEPL Project.

b) There are no changes to the proposed EPC contractor costs identified in the application.

c) The EPC contracts for the STATCOM-specific work are in the final stages of commercial negotiations with the selected EPC for both Algoma TS and Mississagi TS 230 kV STATCOMS. Please note that the STATCOM work was included for contextual purposes only as it relates to negotiations and pursuit of a full EPC delivery at the stations affected by both the NEPL Project and the future North Shore Link Project. However, the STATCOM work is not part of the station scope of work for the NEPL Project and is not included in any works detailed in Exhibit C, Tab 1, Schedule 1 or the Project Overview outlined in Exhibit B, Tab 2, Schedule 1. Similarly, that STATCOM scope is not included in any costs detailed in Exhibit B, Tab 7, Schedule 1. The scope and costs associated with the STATCOM work at the affected stations will be detailed in the future leave to construct application for the North Shore Link Project.

d) The EPC selection process for the transmission line component followed the two step ECI-EPC process as noted in Exhibit B, Tab 7, Schedule 1 page 2. Following the receipt of the independent competitive proposals from the qualified EPC contractors who participated in the ECI phase, these proposals have been independently evaluated and scored by Hydro One's integrated technical and commercial evaluation team. This team included representatives of affected Hydro One lines of business and disciplines, such as Outage Planning, Environmental, Health and Safety, Indigenous Relations, Supply Chain, Commercial, as well as representatives of Hydro One's Owners Engineer and Project Management Office team. Technical evaluation criteria included but were not limited to the completeness of the proposal, past performance during ECI phase as well as on other projects; ability to meet or exceed project requirements, including environmental specifications; Canadian content; commitment to Indigenous engagement and participation plan; maturity of design and outage plan. Commercial evaluation criteria included price as well as exceptions to commercial and technical requirements.

The winning bid for the transmission line work scored highest in technical evaluations as well as offered the lowest price.

The EPC selection process for the stations component included all Hydro One pre-qualified station vendors of record who were invited to participate in the bidding process. The NEPL station scope was divided into three components: Hanmer TS,

Mississagi 230 kV Phase 1, and the new Mississagi 500 kV station. Contractors were permitted to bid on any or all components, based on their capacity and interest.

Bids were evaluated through a structured technical and commercial assessment process involving multiple stakeholders and based on established evaluation criteria. Evaluation factors included technical capability and station design expertise, relevant experience, key personnel qualifications, Indigenous and Canadian content, pricing, and proposed assumptions and exclusions.

Following the initial evaluation, negotiations were conducted with all proponents to further assess risks, opportunities, and value. Upon completion of this process, the Mississagi and Hanmer scope was awarded to separate EPC contractors. The award decisions reflected not only the submitted pricing but also opportunities for cost savings and risk mitigation achieved through the selected contracting strategy and scope bundling approach.

e) The increasing volume of projects being executed by Hydro One necessitates the use of EPC contractors to supplement available resources and support project schedule commitments. The EPC delivery model provides certainty with respect to project cost and schedule through clearly defined contractual obligations and accountability mechanisms. Achieving the in-service date as planned also results in significant savings by reducing financing and interest-related costs. In addition, leveraging EPC resources enables Hydro One's internal construction workforce to focus on other priority and demand-driven projects, improving overall portfolio execution capacity.

f) At the time of filing the application, the forecast cost provided at Exhibit B, Tab 7, Schedule 1 was informed by the EPC contract bids received. The agreements underpinning the successful EPC bid were anticipated to be finalized, however the terms and conditions of the executed EPC agreement were not yet finalized at the time of filing. As described in part a) of this response, the contractors have now been selected and as described in part b) of this response, there is no update to the forecast cost detailed in Exhibit B, Tab 7, Schedule 1. Please refer to part d) of this response for further information on why the cost estimate reflects market pricing.

g) The fixed-price EPC contract significantly reduces uncertainty and the risk of cost overruns associated with execution of the defined project scope; however, it does not eliminate all cost overrun risks. To address this, Hydro One worked collaboratively with the EPC contractors to identify and allocate project risks into three categories:

1. **Contractor-owned risks**: Risks under the EPC contractor's control for which the EPC is responsible for.
2. **Hydro One-owned risks**: Risks that are the sole responsibility of Hydro One, such as regulatory approvals that may affect the timing of construction commencement. These risks are accounted for in the project contingency held by Hydro One.
3. **Excluded Risks**: Risks that are impossible to quantify due to the unlikelihood or uncertainty of occurrence, which include: Labour disputes; Safety or environmental incidents; Significant changes in costs and/or availability of materials and equipment outside Hydro One's control, including impacts from changes in government policy, introduction of new tariffs in addition to those tariffs already in effect, or disruptions arising from geopolitical instability; Cost of disposal/remediation of contaminated soil and hazardous materials found on the ROW; or any other unforeseen and potentially significant event/occurrence. These risks will be quantified if and as they arise and are not included in the project contingency.

The project team will work with its various stakeholders and vendors to avoid and / or mitigate potential events that could result in cost overruns. If an event occurs that has an impact on cost, the structure above will be applied and the impact will be borne by the Hydro One or the EPC depending on whether it is a Contractor or Hydro One owned risk. If there is a material event that results in an excluded risk occurring that could not be avoided or mitigated, the project will endeavor to manage the impact within the existing budget and will update the OEB if there is a material impact as per the OEB's standard conditions of approval for leave to construct.
Please refer to part d) of Exhibit I, Tab 1, Schedule 6 for further information on how the contingency estimate was developed.

h) A copy of this response has been filed confidentially with the OEB in accordance with its Practice Direction on Confidential Filings.

Cumulatively, the EPC contracts, for Stations and Lines, excluding interest AFUDC and overhead, are forecast to represent approximately [redacted] of the direct costs or [redacted] of total project costs, including interest AFUDC and overhead.

The breakdown of the fixed price EPC contracts by line costs and station costs is provided in Table 1 below.

Table 1 - EPC Contract Costs

Project Element	Cost ($M)
Line*	[redacted]
Station- Hanmer	[redacted]
Station- Mississagi 230kV Ph 1	[redacted]
Station – Mississagi 500kV	[redacted]
Total	[redacted]

*The EPC contract cost for line work includes the ECI-EPC components.

The cost of EPC contracts are reflected in Tables 1 and 2 of Exhibit B, Tab 7, Schedule 1 of the Application.

Given the above, the EPC fixed price contract value represents over [redacted] of the total project cost (Lines & Stations), and nearly [redacted] of direct costs (excluding interest, overhead and contingency). When considering solely the Lines component of the project, the EPC cost represent over [redacted] of the direct costs (excluding interest, overhead and contingency). Stations were not executed under the ECI-EPC methodology and a number of long lead items such as transformers and breakers that were procured via Hydro One under existing contracts to meet the necessary timelines. Both the EPC contracts and the long lead station materials of the cost was market-tested through a competitive procurement process.

i) Please refer to part h) of this response.

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OEB STAFF INTERROGATORY - 08

Reference:

Exhibit B-7-1, Pages 2-6, Tables 1 and 2

Preamble:

Hydro One states that the NEPL cost estimate reflects current market-tested pricing obtained through the ECI-EPC procurement process and incorporates material, equipment, contractor, and contingency costs. Hydro One also notes that the estimate reflects current market conditions and risk assessments. Recent tariff measures affecting steel, aluminum, and other imported products have created uncertainty regarding future material and equipment.

Interrogatory:

a) Please identify all Project components and materials that Hydro One believes may be affected by existing or potential future tariffs.

b) For the Project costs shown in Table 1 and Table 2, please describe and quantify all categories that are currently exposed to tariff-related cost increases and list any additional risks.

c) Please explain whether the fixed-price EPC contract transfers tariff-related cost risk to the EPC contractor or whether Hydro One retains some or all of that risk.

d) Please identify any mitigation measures Hydro One has implemented or is considering to reduce exposure to tariff-related cost increases.

Response:

a) With respect to current components of the Project that are subject to tariffs, please refer to Exhibit B, Tab 7, Schedule 1, Footnote 12. Hydro One cannot reasonably opine on potential future tariffs and therefore no provision was made for any new future tariffs in the project estimate via contingency allocation.

b) Of the cost categories listed in Exhibit B, Tab 7, Schedule 1, Tables 1 and 2, the cost categories that would be directly affected by tariffs would be Materials, Equipment Rental and Contractor Costs. Unfortunately, protectionist economic policies have disruptive impacts on North American supply chains as detailed in Attachment 1 of Exhibit I, Tab 1, Schedule 3.

As described at Exhibit B, Tab 7, Schedule 1 Table 3, tariff impact is forecast to be $28.0M for Lines (i.e., Table 1 cost categories) and $4.7M for Stations as per Table 4 and 5 (i.e., Table 2 cost categories). Please refer to Attachment 1 of Exhibit I, Tab 1, Schedule 11 for quantification of these values.

c) [redacted] As the requested information relates to EPC Contract details, the response is provided in the confidential version of this response.

d) Hydro One and our partners employ a highly diversified supply chain that leverages a wide array of suppliers with production facilities both within Canada and internationally. Hydro One is working with various suppliers to source materials domestically where it is cost-prudent and feasible to reduce or eliminate any tariff risks, and has encouraged its EPCs to do the same. During the ECI phase of Project scoping and development and during the RFP competitive bid phase, enacted tariffs and the risks associated with future tariffs were a factor in the selection process. As part of the RFP phase, the EPC contractors were required to provide potential domestic alternatives, if feasible, to minimize tariff risk. When the materials cannot be sourced domestically in a cost-prudent manner, Hydro One requires the EPC to mitigate any tariff impact by attempting to source from locations subject to no, or low, tariff jurisdictions when cost prudent and feasible to do so. This strategic approach allows the sourcing of materials domestically, from North America, as well as Europe and Asia, ensuring a consistent and reliable supply of materials required to deliver the Project successfully. Diversifying sourcing locations helps mitigate the risks arising from evolving tariff conditions.

TARRIF ADJUSTMENT CALCULATIONS

This attachment has been filed separately in MS Excel format. Confidential treatment of this attachment has been requested separately.