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

BY EMAIL

September 17, 2026

Ritchie Murray
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ritchie Murray:

Re: Waasigan Transmission Line Partnership (WTLP)
2027 Electricity Transmission Rates
OEB Staff Interrogatories
Ontario Energy Board (OEB) File Number: EB-2026-0078

In accordance with Procedural Order No. 1, please find attached OEB staff interrogatories in the above proceeding. The applicant has been copied on this filing.

WTLP's responses to interrogatories are due by September 29, 2026.

Any questions relating to this letter should be directed to Shuo Zhang at Shuo.Zhang@oeb.ca.

Yours truly,

Original Signed By

Shuo Zhang Digitally signed by Shuo Zhang Date: 2026.09.17 11:10:14 -04'00'

Shuo Zhang
Senior Advisor, Distribution Sector Evolution

cc: Waasigan Transmission Line Partnership

Encl.

Waasigan Transmission Line Partnership (WTLP)
2027 Transmission Rates Application
EB-2026-0078
OEB Staff Interrogatories
September 17, 2026

Please note, WTLP is responsible for ensuring that all documents it files with the OEB, including responses to OEB staff questions and any other supporting documentation, 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*.

Staff-1
Ref 1: Exhibit A-2-3, page 1
Ref 2: EB-2023-0198, Decision and Order, page 19
Ref 3: EB-2024-0216, Exhibit C-2-1

Preamble

In the leave to construct decision for the Waasigan transmission line (EB-2023-0198) the OEB included the following directive: "At the appropriate future proceeding, Hydro One should demonstrate how adopting the ECI-EPC model benefited ratepayers and how overhead functions were reassessed to avoid cost duplication."

Question(s)

a) Please provide the capitalized overhead amount for WTLP.

b) Please specify the overhead capitalization rates for WTLP under the ECI-EPC model for each year over the period of 2023 to 2027.

c) Please confirm a weighted average overhead rate is applied to WTLP under the ECI-EPC model. If so:

   i. Please specify the weighted average rate.

   ii. Please explain why a weighted average rate is applied other than a specific rate for each year.

d) Please provide supporting calculations to show the difference in project costs between the ECI-EPC model and the standard delivery model.

e) Please provide supporting calculations to show the difference in rate base between the ECI-EPC model and the standard delivery model.

f) Please clarify if any WTLP related costs have been or are expected to be tracked under the Affiliate Transmission Projects Regulatory Account established in EB-2021-0169. If so, please explain the nature of the tracked costs.

Staff-2
Ref 1: Exhibit A-3-1, page 12 of 14
Ref 2: EB-2026-0090, Decision and Order, page 13-15

Preamble

Reference 1 states that a revenue requirement currently forecasted to be $5.35 million is expected to be recorded in the WTLP deferral account upon the Waasigan Project being placed in-service in 2026 (Phase 1). This revenue requirement for 2026 has been included in the 2027 revenue requirement requested in this application. At the time of the draft rate order in this proceeding, WTLP will reflect any updates to the 2026 revenue requirement based on the OEB's decision in this proceeding.

Question(s)

a) Given that the WTLPDA has been approved by the OEB in EB-2026-0090, please explain whether it is still necessary to include the 2026 revenue requirement in the proposed 2027 revenue requirement in this application.

b) Please provide a breakdown of the $5.4 million revenue requirement for 2026. For return on capital, please specify return on debt and return on equity.

Staff-3
Ref 1: Exhibit A-3-1, page 1

Preamble

WTLP states that, "The anticipated in-service date for Phase 1 is forecast to be on or about November 15, 2026, while the Phase 2 in-service date is expected in the fourth quarter of 2027."

Question(s)

a) Please confirm if the expected in-service dates for both Phase 1 and Phase 2 remain unchanged since the filing of the application.

b) If WTLP does not expect to meet the stated in-service dates for each respective Phase, please provide any reasons why.

Staff-4
Ref 1: Exhibit A-3-1, page 4

Preamble

WTLP states that, “WTLP intends to file a new rate application in mid-2027 that will encompass both phases of the project”, and that WTLP believes this is the best option for ratepayers as cost forecasts will be better refined by mid-2027.

Question(s)

a) Does WTLP expect to file a 5-year rate application in 2027 or a single year application similar to the current application?

b) Please provide any reasons for the option mentioned in a.

Staff-5
Ref 1: Exhibit B-2-1, Section 2.0
Ref 2: EB-2023-0198, Decision and Order, Section 4.3
Ref 3: EB-2023-0198, Exhibit B-7-1

Preamble

The current forecast cost of the line for Phase 1 is $525 million.

Question(s)

a) Please reproduce Table 2 (Phase 1 Line Cost) and Table 3 (Phase 1 Station Cost) in EB-2023-0198, Exhibit B-7-1, page 1 and 2 of 16, to show the current forecast of Phase 1 Line Cost and Phase 1 Station Cost.

b) Please confirm there is no Phase 1 Station Cost included in the proposed revenue requirement in this application.

    i. If confirmed, please explain how the Phase 1 Station Cost will be recovered. Please also specify the in-service date of the Phase 1 Station.

c) Please provide a breakdown and explanation of the current estimate of Phase 1 contingency costs into categories such as land acquisition, engagement and consultation, approvals, permits and authorization.

Staff-6
Ref 1: Exhibit B-2-1, page 4 of 4

Preamble

For Phase 1, the trailing costs are currently forecasted to be $10 million and are expected to mostly be incurred in 2027. The trailing costs are reflected as the in-service additions for 2027.

Question(s)

a) Please provide a breakdown of the $10 million trailing costs. Please also specify all assumptions used in forecasting the costs.

b) Please provide the amount of trailing costs that are expected to be incurred in 2026.

Staff-7
Ref 1: Exhibit D-1-1, page 2 of 6

Preamble

WTLP proposed five performance measures.

Question(s)

a) Please clarify if WTLP plans to publish its actual performance of the five measures annually.

    i. If yes, please explain where and when WTLP will publish its performance results.

    ii. If not, please explain why.

Staff-8
Ref 1: Exhibit D-1-1, page 5

Preamble

WTLP states that the maintenance cost per circuit kilometre is approximately $260 for 2027. This was determined after considering that there are 190 route kilometres for two circuits resulting in 380 circuit kilometres.

Question(s)

a) Please provide a comparison of maintenance costs per kilometre for comparable projects.

b) Please provide an explanation for any differences in costs between those of the Project and the comparable projects.

Staff-9
Ref 1: Exhibit F-2-1, page 6 of 6
Ref 2: Exhibit A-2-2, page 2 of 4

Preamble

The annual budget for the Managing Director's Office is approximately $0.38 million.

Question(s)

a) Please provide a breakdown of the annual budget into categories such as salary, office lease and communication.

b) Reference 1 states that the partnership has a Managing Director. Reference 2 states that WTLP has no employees and that operations and management services are provided by HONI by a service level agreement. Please clarify whether the Managing Director is WTLP's only employee.

c) Please clarify whether the Managing Director is a full-time equivalent of WTLP and whether the costs associated with the Managing Director are allocated 100% to WTLP.

    i. If not, is the Managing Director shared across multiple partnerships? If so, how are the costs associated with the Managing Director allocated among the partnerships?

d) Please clarify where the Managing Director's Office is located.

e) Please provide a comparison of the Managing Director's Office costs for other comparable transmission line partnerships.

Staff-10
Ref 1: Exhibit F-3-1, page 3 of 4

Preamble

The Shared Asset allocation charged to WTLP is estimated by taking the average shared asset allocation amount per net fixed asset amount of B2M LP ,NRLP and CLLP and applying this rate against the net fixed asset amount of WTLP.

Question(s)

a) Please provide supporting calculations to show how the $0.38 million shared assets usage was derived.

b) Please explain if there is any difference between the methodology of calculating shared assets for WTLP and the methodology for B2M LP, NRLP and CLLP.

Staff-11
Ref 1: Exhibit F-2-1, page 2
Ref 2: Exhibit F-3-1, Table 1, page 2

Preamble

WTLP states that it intends to enter into a Service Level Agreement (SLA) with Hydro One, as the services that will be procured are not reasonably available in the market in the forms required by WTLP. WTLP further states that, “There are no known service providers that can unilaterally provide these bundled services in this manner. Entering into a multi-vendor management arrangement would engender significant additional management costs. All services to be procured from HONI are done so on a fully allocated cost basis.”

Further, WTLP provides a table at Reference 2 detailing services provided in the SLA.

Question(s)

a) Has WTLP sought bids from other vendors to confirm that the services procured in the SLA are reasonably priced?

b) How have the costs for the services in the SLA been determined? Is WTLP involved in the cost determination process or are they solely defined by Hydro One?

c) Please provide additional information on the maintenance services that will be covered by the SLA including detailing the specific activities that will be undertaken and the frequency of those activities.

Staff-12
Ref 1: Exhibit F-2-1, Table 2, page 2

Preamble

The table below is included in WTLP’s application:

Table 2 - Total Estimated Service Level Agreement Costs ($ M)

Description	**2026**	**2027**
Maintenance Expenses	0.01	0.10
Shared Asset Allocations	0.05	0.38
Administrative and Corporate Expenses	0.05	0.39
Total Service Level Agreement Costs	**0.11**	**1.67**

Question(s)

a) Please explain what maintenance activities are being undertaken in 2026 and 2027 and the respective costs associated with each activity.

Staff-13
Ref 1: Exhibit F-2-1, Table 1, page 2

Preamble

WTLP provides the following table detailing its proposed OM&A costs for 2026 and 2027:

Table 1 - Summary of OM&A ($ M)

Description	**2026**	**2027**
Estimated SLA Costs	0.11	0.87
Incremental Expenses	0.10	0.80
Total OM&A	**0.22**	**1.67**

Question(s)

a) Please provide a comparison of OM&A costs with comparable projects comparing the total OM&A costs and per km OM&A costs.

b) Please provide an explanation for any differences in costs between those of the Project and the comparable projects.

Staff-14
Ref 1: Exhibit G-1-1, page 1 of 6
Ref 2: EB-2024-0063, Decision and Order, page 72

Preamble

Reference 1 states that at the time of in-servicing Phase 1 of the Waasigan transmission line, WTLP will issue two notes in the amount of $144.4M each, representing 56% of WTLP Phase 1 rate base, bearing interest at 4.32% and 4.91% respectively. These notes are planned to be refinanced during 2027 with debt issued by WTLP. The refinancing debt issue will mirror the terms included in an actual debt issue planned to be issued by Hydro One Inc. to third party public debt investors. This is expected to occur by mid-2027.

Question(s)

a) Please explain whether WTLP will update the bearing rates of the two notes (i.e., 4.32% and 4.91%) based on latest information upon issuance at the time of in-servicing Phase 1 assets.

b) Please explain the basis for the assumption that refinancing transaction will occur by mid-2027.

c) Please explain how the indicative issue spreads from Hydro One Inc.'s Medium Term Note dealer group are developed and provide any supporting information regarding the methodology used to determine the proposed spreads for each issuance term.

d) Please explain why WTLP considers the use of Consensus Forecasts and indicative issue spreads to be an appropriate methodology for forecasting the cost of debt, given that the actual cost of debt would be incurred through an actual Hydro One Inc. issuance to third-party public debt investors.

e) In the OEB’s Decision and Order in EB-2024-0063, it was determined that actual market-based debt should be used when available in calculating the deemed long-term debt rate. Please discuss whether it is appropriate to forecast the long-term debt rate using the Consensus Forecast other than the actual market-based debt.

Staff-15
Ref 1: Exhibit H-1-1, page 1 of 4

Preamble

WTLP requests to establish a Forgone Revenue Deferral Account to record any differences between existing rates revenue requirement recovered as part of existing UTRs of a given year and the actual OEB-approved rates revenue requirement that should be collected under the updated UTRs of a given year.

Question(s)

a) Please identify any other transmitter that currently has a similar deferral account approved by the OEB.

b) Please clarify the proposed effective date for this account.

Staff-16
Ref 1: Exhibit H-1-1, page 2 of 4
Ref 2: Exhibit H-1-1, Attachment 2

Preamble

WTLP requests to establish an ESM Deferral Account.

Question(s)

a) In the draft accounting order, it was stated that the account will be effective January 1, 2025. Please clarify that the account should be effective January 1, 2027.

Staff-17
Ref 1: Exhibit H-1-1, page 2 of 4
Ref 2: OEB Letter: Accounting and Rates Direction Regarding Bill C-15 for the Reaccelerated Investment Incentive for Capital Cost Allowance, May 6, 2026

Preamble

WTLP requests to establish a Tax Rate and Rule Changes Variance Account.

Question(s)

a) Please confirm if WTLP is aware of the OEB Letter dated May 6, 2026.

b) Please confirm if WTLP is aware that the OEB's generic Account 1592 – PILs and Tax Variances applies to transmitters.

c) Please clarify whether the scope of the proposed Tax Rate and Rule Changes Variance Account is different from the OEB's generic Account 1592 – PILs and Tax Variances.

Staff-18
Ref 1: Exhibit H-1-1, page 3 of 4
Ref 2: Exhibit H-1-1, Attachment 4

Preamble

WTLP proposed the establishment of a WTLP Transmission Line Revenue Requirement Variance Account.

Question(s)

a) Please clarify if the proposed WTLP Transmission Line Revenue Requirement Variance Account is symmetrical or asymmetrical.

b) Please specify the refund of 2026 revenue requirement, less any removal costs, to be returned to ratepayers if the assets are in-serviced after November 15, 2026. For example, if the assets are in-serviced on December 15, 2026. Please provide all supporting calculations.

c) In the draft accounting order, it was stated that the account will be effective January 1, 2026. Please clarify that the account should be effective January 1, 2027.

d) Please clarify if the scope of the account intends to capture the revenue requirement impact resulting from:

   i. Cost variance between the forecast trailing costs and actual spendings

   ii. Cost variance between the forecast capital expenditures (i.e., excluding the forecast trailing costs) and actual spendings

   iii. Timing difference between the estimated in-service date and the actual date

e) Please identify any other transmitter that currently has a similar variance account approved by the OEB.