

Hydro One Networks Inc.

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Frank D'Andrea

Vice President, Regulatory Affairs & Chief Risk Officer

BY COURIER

September 27, 2018

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Walli,

EB-2018-0277- Application for Transmitter Licence Authority for Niagara Reinforcement Limited Partnership (“NRLP”)

Please find attached an application submitted by Hydro One Networks Inc. (“HONI”) on behalf of a newly created transmission company called Niagara Reinforcement Limited Partnership (“NRLP”). NRLP is a partnership formed to own certain assets related to HONI’s Niagara Reinforcement Project. The Project was originally approved by the Ontario Energy Board on July 8, 2005 pursuant to EB-2004-0476 but construction was halted in 2006 until earlier this year due to a third-party land dispute. The project has now resumed construction and is expected to be completed on May 31, 2019.

Ultimately, HONI intends to sell equity interests in NRLP to two separate First Nations communities who were instrumental in allowing the project to go forward and are supporting the project to completion.

This submission seeks provision of a Transmitter Licence for NRLP. This is seen as the first step toward completion of the necessary approvals to execute the contemplated transaction. HONI will also file a request for leave to sell the assets in question under section 86 (1)(b) of the OEB Act and NRLP will file a request for an Interim Rate for the stub period of 2019 under section 78(3) and 21(7) of the OEB Act. Those submissions are expected later in October. A brief evidence circular is included in this application providing further background with respect to the transaction and outlining the requests to be sought.

Hydro One respectfully requests that the Board review and consider the attached licence application at earliest convenience.



Should you have any questions on this, please contact Joanne Richardson at (416) 345-5393 or via email at regulatory@HydroOne.com.

Sincerely,

ORIGINAL SIGNED BY FRANK D'ANDREA

Frank D'Andrea



Ontario Energy Board
Commission de l'Énergie de l'Ontario

Application for Electricity Transmission Licence

Ontario Energy Board
2300 Yonge Street
P.O. Box 2319
Toronto, ON M4P 1E4
Telephone: 1-888-632-6273
Facsimile: (416) 440-7656

Commission de l'Énergie de
l'Ontario
2300 rue Yonge
C.P. 2319
Toronto, ON M4P 1E4
Téléphone: 1-888-632-6273
Télécopieur: (416) 440-7656

Application Instructions

1. Purpose of this form

The purpose of this form is to collect information to determine whether the Applicant will be granted a licence to transmit electricity.

2. Structure of the Application Form

This form contains the following sections:

- A General Information;
- B Corporate Information;
- C Notice and Consent;
- D Acknowledgement

Note: The Board shall keep confidential the information in Item 10, Section B of this form, with the exception of the names and positions held of key individuals. All other information filed as part of this application will be considered public. Where the applicant objects to public disclosure of the information, the applicant must follow the Ontario Energy Board's approved Guidelines for Treatment of Filing made in confidence, effective March 19, 2001.

3. Completion Instructions

PRINT CLEARLY or TYPE all information in BLACK. Please send the completed form and two copies of all attachments to:

Board Secretary
Ontario Energy Board
2300 Yonge Street
P.O. Box 2319, 26th Floor
Toronto, ON M4P 1E4

4. Licence Fees:

Application Fees:

A non-refundable application fee is required to process your application. Please enclose a cheque or money order made payable to the ONTARIO ENERGY BOARD.

Note:

The Licencee may be required to pay an annual fee.

5. Important Information:

As a licenced Electricity Transmitter, the licensee may be subject to additional obligations as required by the Independent Electricity System Operator (IESO) and as established under section 70 of the *Ontario Energy Board Act, 1998*.

The issuance of an electricity transmission licence does not guarantee accreditation by the IESO or connection to a transmission or distribution system.

REMARQUE:

Ce document est disponible en français.

For Office Use Only	
Application Number	
Date Received	

A. General information

1. Type of Application

New licence	<input checked="" type="checkbox"/>
Renewal	<input type="checkbox"/>
Amendment to an existing Licence	<input type="checkbox"/>

2. Applicant

Please provide the following information about the Applicant			
Full Legal Name of Applicant Niagara Reinforcement Limited Partnership		Ontario Corporation Number, Canadian Corporation Number or Business Registration Number 280994377	Date of Formation or Incorporation September, 19, 2018
Business Address: 483 Bay Street, 8th Floor South Tower			
City Toronto	Prov. Ontario	Country Canada	Postal/Zip Code M5G 2P5
Phone Number 416-345-5721	FAX Number (416) 345-5866	E-Mail Address (if applicable) regulatory@hydroone.com	

3. Primary Contact for this Applicant

Please provide the following information about the Primary Contact for this Application:

Mr. <input checked="" type="checkbox"/> Mrs. <input type="checkbox"/>	Last Name: Smith	Full First Name: Jeffrey	Initial: A
Miss <input type="checkbox"/> Ms. <input type="checkbox"/> Other: _____	Position Held: Managing Director		
Contact Address (if R.R., give Lot, Concession No. and Township) 483 Bay Street, 7 th Floor			
City Toronto	Province Ontario	Country Canada	Postal/Zip Code M5G 2P5
Phone Number 416-345-5721	FAX Number 416-345-5886	E-mail Address (if applicable) jeffrey.smith@b2mlp.ca	

4. Transmission Facilities

Please provide a description of the transmission facilities involved in this Application:

Niagara Reinforcement Limited Partnership (“**NRLP**”) is a newly formed limited partnership which does not currently own or operate transmission facilities in Ontario. Subject to various regulatory approvals, including this transmission licence application, the Applicant has entered into an agreement with Hydro One Networks Inc. (“**HONI**”) to purchase transmission line assets.

The assets are located in southern Ontario in the Niagara region and are comprised of a new 76 km double circuit 230 kV transmission line connecting Allanburg Transformer Station and Middleport Transformer Station (“**the Line**”). The Line assets are part of HONI’s Niagara Reinforcement Project (“**NRP**”) line that is scheduled to be placed in-service on May 31, 2019. The purchase does not include any station assets or the optical fibre sky wire affixed to the towers. A Leave-to-Sell application under s. 86 of the *OEB Act, 1998* will be filed with the Board to seek approval for the proposed sale of the Line.

B. Corporate Information

Organizational

5. Business Classification

Please indicate the Applicant's Business Classification (check appropriate type below):

- Sole Proprietor
- Partnership
- Corporation
- Other (describe) _____

6. Business Activities

Please provide a description of the transmission facilities involved in this Application:

The Applicant is a newly-formed Ontario limited partnership, which is currently 100% owned by Hydro One Inc., through wholly-owned subsidiaries. The Applicant intends to engage in activities that are related to the ownership of the Line. Accordingly, the Applicant's business activities, under the direction and management of the general partner, are expected to generally be limited to the operation, maintenance and administration of that facility, as well as financing and recovery of costs and prudent investments through the Ontario Energy Board's ("OEB") established transmission rate setting process.

Hydro One Networks Inc. has signed an agreement with Six Nations of the Grand River Development Corporation ("SNGRDC"), and Mississaugas of the New Credit First Nation ("MNCFN"), two First Nations located proximate to the Line. Subject to regulatory approvals, this agreement was forged to enable SNGRDC and MNCFN to purchase, an equity interest in the Licence Applicant, as limited partners.

7. Affiliates of the Applicant

a) Please provide the following information for all Affiliates of the Applicant:

Full Legal Name of Affiliate Company

Hydro One Inc.

Hydro One Networks Inc.

Hydro One Remote Communities Inc.

Hydro One Sault Ste. Marie

Hydro One Telecom Inc.

B2M Limited Partnership

Other holding companies within Hydro One Limited.

Business Address:

483 Bay St., 8th Floor, South Tower

City	Prov.	Country	Postal/Zip Code
Toronto	Ontario	Canada	M5G 2P5
Phone Number	FAX Number	E-Mail Address (if applicable)	
416-345-5000	416-345-5886	regulatory@hydroone.com	

Description of Business Activities:

Following the enactment of the *Electricity Act, 1998* and the restructuring of the former Ontario Hydro, Ontario Hydro Services Company Inc. was incorporated under the *Ontario Business Corporations Act* on December 1, 1998 and commenced business on May 1, 1999. On May 1, 2000, the company's name was changed to Hydro One Inc. in accordance with Section 48.1 of the *Electricity Act, 1998*, as amended. Hydro One Inc. is a holding company operating through its wholly-owned subsidiaries. Its principal subsidiary, Hydro One Networks Inc., is the largest electricity transmitter and distributor within Ontario.

- Hydro One Remote Communities Inc. carries on all business relating to ownership, operation, maintenance and construction of generating and distribution assets used in the supply of electricity to remote communities throughout Northern Ontario that are not connected to the transmission grid.
- Hydro One Telecom Inc. carries on all business relating to leasing dark fibre and providing lit capacity to other telecommunications carriers, large corporations, government, health care and education institutions.
- Hydro One Sault Ste. Marie owns certain transmission assets in the Algoma Region of Ontario.
- B2M Limited Partnership carries on all business relating to the ownership, operation and management of electricity transmission facilities in relation to the Bruce to Milton Transmission line between Milton, Ontario and the Bruce Nuclear Power Development in Tiverton, Ontario.

b) Please attach a Corporate organization chart describing the relationships between the Applicant and its Affiliates and, if applicable, the respective ownership percentages by the Applicant in each Affiliate.

Please refer to Attachment 2

7. Affiliates of the Applicant (continued)

a) Please provide the following information for all Affiliates of the Applicant:

Full Legal Name of Affiliate Company

Hydro One Indigenous Partnerships GP Inc.

Business Address:

185 Clegg Road

City Markham	Prov. Ontario	Country Canada	Postal/Zip Code L6G 1B7
Phone Number 905-946-6018	FAX Number 416-345-5886	E-Mail Address (if applicable) jeffrey.smith@b2mlp.ca	

Description of Business Activities:

Subject to OEB approval, the Niagara Reinforcement Limited Partnership (“NRLP”) will own, operate and maintain the transmission line assets of the Niagara Reinforcement Project, under the direction and management of the general partner, Hydro One Indigenous Partnerships GP Inc. (“HOIP”).

HOIP will hold the general partner interests and carry out the general partner responsibilities of NRLP including management and oversight of the company. It will be responsible for ensuring that the assets transferred to NRLP are operated and maintained in accordance with all applicable regulatory standards and HONI’s maintenance and operating practices. HOIP will carry out these functions through an operations and management services agreement with HONI.

All operational activities of NRLP will be unilaterally directed and managed by HOIP – the General Partner. This entity will coordinate, supervise and manage all activities relating to NRLP. It is the intention of HOIP to procure the bulk of the necessary services from HONI under an operations agreement. This agreement will cover the provision of numerous operation, maintenance and administration services to the Applicant by HONI, and will be in compliance with the OEB’s Affiliate Relationship Code.

b) Please attach a Corporate organization chart describing the relationships between the Applicant and its Affiliates and, if applicable, the respective ownership percentages by the Applicant in each Affiliate.

Please refer to the supplemental information document at **Attachment 1** to this filing.

8. Energy Sector Activities

<p>Has the Applicant or an Affiliate undertaken any energy sector activities in Ontario or any other jurisdiction?</p> <p>If yes, please provide the following information for each:</p>	<p>Yes No</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/></p>
<p>Full Legal Name of Company:</p> <p>Hydro One Networks, Inc.</p> <p>Hydro One Remote Communities, Inc.</p> <p>B2M LP</p> <p>Hydro One Sault Ste. Marie LP</p>	<p>Licence/Registration Number:</p> <p>870865821</p> <p>870836269</p> <p>808209530</p> <p>833178213</p>
<p>Jurisdiction:</p> <p>Across the Province of Ontario</p>	<p>Type of Business Activity (e.g. Generation, Transmission, Distribution):</p> <p>Hydro One Networks: Transmission, Distribution</p> <p>Hydro One Remote Communities: Generation, Distribution</p> <p>B2M LP: Transmission</p> <p>Hydro One Sault Ste. Marie LP: Transmission</p>

Technical Capability and Experience

9. Technical Ability

a) Please describe the applicant's technical ability to carry out the activities applied for including the Applicant's specific experience in Ontario and in other jurisdictions.

The Applicant is a newly formed Ontario entity that has been established for the purpose of owning, operating, maintaining and administering an electricity transmission facility in Ontario. Units of NRLP will ultimately be held by each of the three limited partners and one general partner. The limited partners of NRLP will be Hydro One Networks Inc., SNGRDC and MNCFN. The general partner, HOIP, through its affiliation with Hydro One Inc., brings significant skills, resources and experience to the limited partnership, including technical, financial and stakeholder relationship capabilities. Each of the limited partners brings financial capabilities and stakeholder relationship capabilities.

b) If the Applicant intends to utilize the capability of others by contracting transmission activities, please indicate below which activities and to whom they will be contracted:

<input type="checkbox"/> Design	Contracted to:
<input type="checkbox"/> Construction	Contracted to:
<input type="checkbox"/> Customer Connection	Contracted to:
<input checked="" type="checkbox"/> Inspection & Maintenance	Contracted to: Hydro One Networks Inc.
<input checked="" type="checkbox"/> Operation	Contracted to: Hydro One Networks Inc.
<input checked="" type="checkbox"/> Other (describe) Various Administration services	Contracted to: Hydro One Networks Inc.

10. Information About Each Key Individual

Mr. <input checked="" type="checkbox"/> Mrs. <input type="checkbox"/> Miss <input type="checkbox"/> Ms. <input type="checkbox"/> Other: _____	Last Name: Smith	Full First Name: Jeffrey	Initial: A.
Position Held: Managing Director			
<p>Please explain the person's experience in the electrical transmission business and in the energy field in general.</p> <p>Mr. Smith joined Hydro One in 2000 and has over twenty years of diverse experience in Ontario's utility sector. Since joining Hydro One, he has held a variety of management positions in various divisions across the company including Finance, Information Technology, Asset Management and Regulatory Affairs. At present, he is the Managing Director for Hydro One Indigenous Partnerships GP Inc. overseeing B2M LP, Ontario's second largest transmission company. In that role, Mr. Smith is accountable for overseeing all activities of the partnership. Mr. Smith also serves as Director of Regulatory Initiatives, Compliance and Support for Hydro One Networks. In that role, he is accountable for investigation and demonstration of compliance with industry standards and administration of regulatory reporting and submissions on behalf of the company.</p> <p>He has a Bachelor of Arts in Economics from the University of Western Ontario and a Master of Business Administration from the Ivey School of Business.</p> <p>Mr. Smith is the Managing Director of Hydro One Indigenous Partnerships GP Inc., which will be responsible for overseeing, directing and managing the NRLP business activities.</p>			
a) Has this person been a proprietor, partner, officer or director of a business that was granted a licence under Part IV or Part V of the <i>Ontario Energy Board Act, 1998</i> . If yes, provide business names and licence number(s) and describe the individuals specific related experience.		Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Jeffrey Smith is the Managing Director of Hydro One Indigenous Partnerships GP Inc., general partner of B2M LP			
b) Has this person been a proprietor, partner, officer, or director of a business that was registered or licenced under this or any other acts or legislation? If yes, identify the business name, the legislation, licence number(s), date of the licencing or registration and the individual's specific related experience.		Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Jeffrey Smith is the Managing Director of Hydro One Indigenous Partnerships GP Inc., general partner of B2M LP			
c) Has this person been a proprietor, partner, officer or director of a business that had a registration or licence of any kind refused, suspended, revoked or cancelled? If yes, please provide company name and describe the situation, including the jurisdiction and type of licence.		Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

11. Financial Information

Please attach financial statements of the Applicant for each of the past two fiscal years. This may include audited financial statements, annual reports, prospectuses or other such information.

Transmission Facilities Information

12. Facilities

Please indicate whether the Applicant's transmission facilities are:

<input checked="" type="checkbox"/> New assets to be constructed?	Proposed In-Service Date: May 31, 2019 Assets will be built and in-serviced by HONI and then sold to NRLP immediately after completion
<input type="checkbox"/> Existing assets presently owned by the Applicant?	
<input type="checkbox"/> Existing assets not presently owned by the applicant (i.e. to be purchased)?	Please indicate from whom assets will be purchased:
<input type="checkbox"/> Other (describe)	

13. Purpose of Facilities

Please indicate the intended purpose(s) of the Applicant's transmission facilities:

<input type="checkbox"/> To provide a connection between a generator and a transmission system.
<input checked="" type="checkbox"/> To provide a connection between a transmission system and a load customer.
<input type="checkbox"/> To provide a connection between a generator and a load customer.
<input type="checkbox"/> To provide a connection between one transmission system and another
<input type="checkbox"/> To import or export power
<input type="checkbox"/> Other (please describe): _____

If parties other than the Applicant are involved, please indicate the specific names of the participants (generator, load customer, transmission system(s):
The NRP line will interconnect with the HONI transmission system at both ends of the Line.

14. Location of Facilities

Please indicate the location (township or other such description as appropriate) of the Applicant's transmission facilities and attach a single-line diagram indicating the length (km), capacity (MW) and operating voltage (kV) of each element.

The NRP line includes the 230 kV circuits specifically named Q26M and Q35M – running westerly from Allanburg TS located on Barron Road in the City of Thorold, traversing the counties of Welland, Lincoln and Haldimand, before terminating at Middleport TS located on Baptist Church Road in the County of Brant.

15. Licencing History

Has the Applicant obtained Ontario Energy Board, National Energy Board, Federal Energy Regulatory Commission or any other regulatory approvals required for the acquisition, construction or operation of the transmission facilities?

Yes

No

If no, please indicate the status and plans for seeking these approvals.

These transmission facilities are currently being constructed and are forecast to be placed in-service by HONI on May 31, 2019. Requests for regulatory approvals related to the proposed sale of the assets to NRLP and an initial interim rate application for NRLP for 2019, will be filed in the near future.

16. Services to Other Parties

If the transmission facilities are to be used to deliver electricity to a party other than the Applicant please attach the following:

- a) a summary of business plans relating to the Applicant's proposed transmission business for the next five years. This should include the following:
 - a forecast of annual peak demand (MW) and energy (MWH) transmitted and/or transformed.
 - annual pro forma financial statements including forecasts of costs, revenues and project financing indicating the underlying assumptions on which the forecasts are based.
- b) estimates of net annual cash flows for subsequent periods to demonstrate financial feasibility and security.
- c) indication of the Applicant's plans to seek Ontario Energy Board approval for rates for transmission services.

Please refer to Attachment 1 of this filing.

17. Proposed Business Transaction Impact

Please provide a brief summary of the expected impact of the proposed business transactions on the Ontario electricity market under the following headings:

- Facilitate competition and enhance access to transmission services

If approved, NRLP will be a new transmitter in the Province of Ontario. The existence of this entity supports the government's stated mandate to increase ownership diversity within the Transmission sector in Ontario, and to foster participation by First Nations.

- Improve reliability and quality of supply

The Line is being constructed to allow for enhanced transmission flexibility in the Niagara region. This will decrease the requirement for planned outages in the region and enhance reliability. Furthermore, this will support greater utilization of the Bulk Electrical System through the 500kV sub-system out of Middleport to load centres in the Greater Toronto Area. Construction of this asset is supported by the IESO.

- Promote economic and efficient electrical energy supply

The participation of SNGRDC and MNCFN as owners of these transmission facilities is expected to allow for the continued economic enhancement on First Nations lands and provide efficient supply of energy generated in the Niagara region, or imported from across the border in the U.S. in the same region, to the provincial grid in southern Ontario.

Other Information

18. Ontario Market Activities

Please indicate whether the Applicant intends to be involved with other electricity sector activities in the Ontario market?		
Buy or Sell (Wholesale) electricity	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Distribute electricity	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Retail electricity	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Generate electricity	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If yes to any of the above: a) If affiliates have not yet been established, please indicate when this is planned _____		
b) Has Applicant or an affiliate applied for an Ontario Energy Board Licences? If no, when planned? _____ Hydro One Networks Inc., B2M LP and Hydro One Sault Ste. Marie are licensed to transmit electricity in Ontario.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

C. Notice and Consent

AS REQUIRED BY THE FREEDOM OF INFORMATION AND PROTECTION OF INDIVIDUAL PRIVACY ACT

In order to complete or verify the information provided on this form, it may be necessary for the Ontario Energy Board to collect additional information from some or all of the following sources: federal, provincial/state and municipal governments; licensing bodies; banks; professional and industry associations; and former and current employers. Only information relevant to your application will be collected.

The public official who can answer questions about the collection of information is:

Board Secretary
Ontario Energy Board
2300 Yonge Street, P.O. Box 2319
Toronto, Ontario M4P 1E4

Note: The issuance of an electricity transmitter licence does not guarantee accreditation by the IESO, or connection to a transmission or distribution system.

NOTE: This application must be signed by the proprietor or by at least one partner, officer or director of the organization.

WARNING: It is an offence to knowingly provide false information on this application.

I/We consent to the collection of this information as authorized under the *Ontario Energy Board Act, 1998*.

Yes



I/We understand that this information will be used to determine whether I am/we are and remain qualified for the licence for which I am/we are applying.

Yes



Print Name and Title	Signature of Applicant(s)	Date Signed
Jeffrey Smith, Managing Director, Hydro One Indigenous Partnerships GP Inc., general partner of Niagara Reinforcement Limited Partnership	Original Signed by Jeffrey Smith	September 27, 2018

D. Acknowledgement

NOTE: This acknowledgement must be signed by the proprietor or by at least one partner, officer or director of the organization.

I understand and acknowledge that, as a licenced electricity transmitter, I will be required, unless otherwise exempted:

- To provide non-discriminatory access to all persons wishing to connect to the transmission system.
- To comply with all licence conditions including the provisions of:
 - The Ontario Energy Board Affiliate Relationships Code for Electricity Distributors and Transmitters
 - The Ontario Energy Board Transmission System Code
 - The Market Rules made under section 32 of the Electricity Act.

<p>Print Name and Title</p> <p>Jeffrey Smith, Managing Director, Hydro One Indigenous Partnerships GP Inc., general partner of Niagara Reinforcement Limited Partnership</p>	<p>Signature of Applicant(s)</p> <p>Original Signed by Jeffrey Smith</p>	<p>Date Signed</p> <p>September 27, 2018</p>
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BACKGROUND

- 1.1 This submission is made on behalf of a newly created company, Niagara Reinforcement Limited Partnership (“**NRLP**”). It is made as the first of three interrelated applications to be submitted for Ontario Energy Board (“**OEB**” or “**Board**”) approvals regarding the licencing of a new transmitter, the sale of certain transmission assets to that new transmitter, and provision for an interim revenue requirement reflecting cost recovery for the portion of 2019 in which the asset will be in-service.
- 1.2 First and foremost amongst those approvals, NRLP is seeking transmitter licensing authority in accordance with section 60 of the *Ontario Energy Board Act, 1998* (“**the Act**”) so that it may own and operate assets as part of its transmission system. The HONI application requesting permission to sell certain transmission assets and the NRLP application requesting interim rate recovery in 2019 are both expected to be submitted in October of 2018.
- 1.3 The purpose of these three applications is to give effect to a commercial arrangement negotiated between Six Nations of the Grand River Development Corporation (“**SNGRDC**”), Mississaugas of the New Credit First Nation (“**MNCFN**”) and HONI, which has fundamentally allowed for the development, construction and in-service operation of HONI’s Niagara Reinforcement Project (“**NRP**” or “**the Project**”). Satisfactory approval of all three applications is necessary in order for the proposed transaction to take effect.
- 1.4 After the initial sale of the assets to NRLP, a subsequent transaction will include the sale of separate minority interests in the partnership to SNGRDC and MNCFN. Based on the findings of EB-2013-0080¹, an application for the sale of those shares in the licenced transmitter will not be requested.

¹ In the Decision and Order of EB-2013-0080, the OEB ruled that, “the wording of subsection 86(2)(a) of the Act does not cover the acquisition of an interest in a limited partnership”

- 1.5 The NRP Project was originally approved by the Board on 8 July, 2005 pursuant to Proceeding EB-2004-0476. Construction of the project was approximately 80% complete when work was halted in May 2006 due to a land dispute on the Douglas Estates site in Caledonia, ON; immediately adjacent to the Hydro One work site. Certain project assets were damaged and Hydro One felt it was in the best interest of the public and its employees to halt any further work until the matter was resolved. Construction on the project has resumed and the assets are expected to be placed in to service on 31 May, 2019.
- 1.6 NRLP will also be seeking provision for an interim revenue requirement during the period in 2019 for which the asset is expected to be in-service. Given the expected in-service date of 31 May, 2019, the revenue requirement will be for the 7 month period from 1 June, 2019 to 31 December, 2019 (“**Stub Period**”) based upon the forecast total cost of the assets. The application will also make a provision for a true-up mechanism to allow any variance from the originally approved interim revenue requirement to be refunded or disposed of in a future revenue requirement request.
- 1.7 NRLP expects to file a Cost of Service application in early 2019 for the institution of rates for the 2020-2024 period.
- 1.8 In a letter dated 4 April, 2018, Hydro One advised the Board that the Project was expecting a variance from its original 2005 forecast cost. The Board advised Hydro One that it would review this variance as part of a subsequent hearing². Hydro One plans to bring evidence to support the increased costs as part of its Cost of Service application to be submitted in 2019.

² “Given the circumstances under which the OEB granted Hydro One leave to construct in 2005, the overall tenor of subsequent OEB decisions regarding the recovery of carrying costs, and Hydro One’s projected in-service date of less than one year, the OEB will assess cost recovery in the normal course when an application is made seeking revenue recovery on the in-service rate base” – OEB Letter to Hydro One dated July 27, 2018.

HYDRO ONE INC. - REGULATED COMPANIES
 ORGANIZATIONAL CHART - CURRENT

active
 holding
 inactive

OEB licensed electricity transmitter/distributor
 Seeking OEB Licence Authority

