

July 8, 2022

Hydro One Networks Inc.

Supporting & Enabling Broadband Development Projects in Ontario

Hydro One Networks Inc. (“Hydro One”) is the largest electricity transmission and distribution service provider in the Province of Ontario (the “Province”), powering nearly 1.4 million homes and businesses. Hydro One is committed to being a trusted partner and advocate for our customers. By working together, we will enable a safe and affordable electricity grid of the future.

In 2021, the Province renewed its commitment to accelerate broadband connectivity to approximately 700,000 underserved or unserved homes and businesses. Hydro One’s electrical distribution infrastructure currently serves many of these homes and businesses. We are committed to leveraging our network and expertise to help support and enable broadband deployment across Ontario, safely and affordably.

This communication is intended to advise applicants on our future operational approach for those who wish to request access to Hydro One’s electricity infrastructure for joint use and broadband projects. This communication includes information related to Hydro One’s support and enablement of the province’s broadband program and associated provincially designated broadband projects per the *Building Broadband Faster Act* (BBFA).

Joint Use & Broadband Projects in the Future

In support of the vast broadband deployments and Hydro One’s commitment to customers and communities, the following provides initial guidance on expectations relating to Hydro One’s distribution joint use program. Subsequent updates to this communication will follow as development progresses.

Aligned with the Province’s objectives and associated regulations, Hydro One intends to implement a **choice-based** operational approach. Once established, this approach will provide distribution joint use partners with options on how to enable access to Hydro One’s infrastructure to facilitate joint use and broadband project deployments. Once implemented, joint use partners will be required to select from the following:

1. **Hydro One Project Execution** – Joint use partners can request Hydro One to plan, develop, and execute the design and construction of make ready work to accommodate their attachments and joint use permit requests per Hydro One’s current approach or
2. **Applicant Project Execution** – Applicants can plan, develop, and execute all electrical design and make ready work, provided such work is carried out in compliance with Hydro One’s requirements using qualified electrical distribution design and execution firms. Applicants will receive Hydro One support on operational aspects to enable work execution.

In the coming months, Hydro One will be developing key operational processes, defining, and documenting the technical, commercial, operational, and regulatory parameters for joint use partners to enable the Applicant Project Execution approach. Joint use partners are encouraged to begin preparations for work execution as required to successfully implement your projects. Additionally, it is strongly recommended that joint use partners engage qualified distribution design and execution contractors in the pre-design stage for their projects.

Hydro One will keep joint use partners updated on progress. However, until such time that Hydro One formally implements this choice-based operational approach, Hydro One's current joint use processes will continue to apply to active or forthcoming attachment requests, with adjustments for compliance with key regulatory obligations.

Applicant Project Execution

Hydro One is committed to supporting the Province's broadband connectivity goals and enabling timely access to Hydro One's infrastructure. In contemplation of the provincially designated projects, Hydro One has assessed our service territory, scale of broadband projects, and performance timelines associated with the governing regulations. In recognition of the scale and performance timelines involved, the Applicant Project Execution option will allow the applicant greater control over execution timelines.

Please note the key elements of this approach:

- **Applicant Developed Design Execution** – Applicants are expected to complete all infrastructure design work, including all necessary infrastructure/field verification and due diligence, via qualified electrical distribution design in compliance with Electrical Safety Authority (ESA) Ontario Regulation 22/04 (as amended) and Hydro One's technical requirements and standards.
- **Make Ready Project Planning** – Applicants will be responsible for all project planning activities, in collaboration with Hydro One on key activities (i.e., outage planning, customer engagement and restrictions, etc.). Such activities must be completed in accordance with Hydro One's published processes and standards.
- **Material & Equipment Procurement** – Applicants will be required to procure all material and equipment necessary to execute required make ready work in accordance with Hydro One's published list of approved manufacturers. A list of approved material and equipment can be found on Hydro One's website by following the following link:
<https://www.hydroone.com/business-services/builders-and-contractors>
- **Supply Chain Collaboration** – Given the potential demand for material and equipment in the coming years Hydro One would like to engage with joint use partners regarding a holistic supply chain management approach to manage collective demands for material and equipment above.

- Make Ready Project Execution – Applicants will be responsible for execution of all electrical make ready work. Work on Hydro One infrastructure must be completed by qualified service providers which include, but is not limited to, procurement, construction work in accordance with design and key construction standards, outage management and work protection, customer/property owner management, construction verification etc. Hydro One will support and enable work execution in collaboration with joint use partners to support their projects.

If an applicant instead wishes to request support from Hydro One to execute provincially designated projects, Hydro One will assess the request and work collaboratively with the applicant on mutually agreeable terms and timelines for the required design and construction of make ready work, having regard for Hydro One's own operational priorities and limitations.

New Commercial Agreement Requirements

If applicants choose the Applicant Project Execution option, they must execute a new form of agreement specifically drafted to address the additional requirements and responsibilities associated with the Applicant Project Execution option. This agreement will be in addition to Hydro One's standard joint use agreement terms and conditions.

Hydro One will continue to engage with applicants and existing joint use partners regarding the changes. Furthermore, details related to the technical, commercial, and operational parameters outlined in this communication will be published on Hydro One's Distribution Joint Use website or contained within the JUMP application, once available. Information and resources can be found at <https://www.hydroone.com/JUMP>.

Hydro One will continue to proactively communicate updates and developments on the implementation of our new operating model. However, if you have any questions pertaining to this communication, please direct them to ExternalJointUse@HydroOne.com.

A handwritten signature in blue ink that reads "Robert Berardi".

Rob Berardi (he/him)

VP, Shared Services and Broadband Strategy
Hydro One Networks Inc.