



283 pembroke street west – p.o. box 1087
pembroke, ontario K8A 6Y6
tel: (613) 732-3687 – fax: (613) 732-9838
web: www. orpowercorp.com

April 8, 2009

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
PO Box 2319
2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Walli:

**RE: Application for Amendment of Distribution Licence (ED-2003-00333)
Hydro One Interrogatory Response
Board File Number EB-2009-0019**

In response to a letter, dated March 26, 2009 from Susan Frank of Hydro One, please find attached our responses to the interrogatory questions.

If additional information is required, please contact the undersigned.

Yours truly,

Original signed by

Douglas Fee, P.Eng.
President

Attach.

Cc Blair MacDonald, HONI
Mayor J.A. (Al) Lunney
Wilson Bassile

\\Orpc2\Reference Documents and Files\ORPC Files\Utility\U03 -Projects\Sadler Estates-Almonte\OEB Sup\OEB Cover Letter Apr8-09.doc

“A Proud Locally Owned Municipal Utility”

OTTAWA RIVER POWER CORPORATION
Response to Hydro One Interrogatories
for
Service Area Amendment Application EB-2009-0219

Note: HONI comments and questions are shown in black, ORPC responses are shown in red.

3
4 1. Ref. – January 9, 2009 Evidence, Page 3, Section 4. Efficient Rationalization

5
6 a). Please clarify if Ottawa River Power Corporation is applying to amend its
7 licensed service area to serve Phase 1 of the development or to serve the entire
8 development at this time.

Ottawa River Power's application is for the expansion of the service area to serve the entire Sadler Development.

9 b). What is the proposed timing of the servicing of Phase 1 of the development?

The developer has draft approval from the Town and expects to start servicing of the project in the spring of 2009, subject to final approvals and economic conditions.

10 c). What is the proposed timing of the servicing of the balance of the development?

The progress of the remainder of the development would follow Phase 1. The rate of growth in development in Almonte is dependent upon the availability of services (community well water system and sewage lagoons) and market conditions. The developer expects that development would proceed at the rate of 40 to 50 units per year. On this basis, the project could be developed over a 10 year time frame.

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12 2. Ref. – January 9, 2009 Evidence, Page 3, Section 4. Efficient Rationalization
13 Ref. Feb 22, 2009 Supplemental, page 3, Item 3 (c)

14
15 You state "*Only Minimum reinforcement of the upstream system will be required for*
16 *the entire development of approximately 440 units*". Later, in the Supplemental
17 Evidence you state that "*Upstream reinforcement required to supply the whole*
18 *development would be the prorated cost of upgrading on the station transformers*
19 *from 3 MVA to 5 MVA.*"

20
21 a). Please clarify what upstream reinforcement is required.

Upstream reinforcement would consist of upgrading the transformer capacity of Sub 1 and a

short feeder extension to loop the east side of the development.

22 b). What are the transformer sizes for Substations 1, 2 and 3.

Existing transformers at Sub 1, 2 and 3 are 5 MVA, 5 MVA and 3 MVA respectively.

23 c). What are the current peak demands on Substations 1, 2, and 3.

Current peak demand (winter peaking) on Sub 1, 2, and 3 is 2800 kW, 2400 kW and 2300 kW respectively.

24 d). What is the estimated peak load for the entire development?

The estimated peak load for the entire development of 496 units is 1240kW. The development has a natural gas supply.

25 e). What is the estimated cost to upgrade the station transformer?

The upgrade of the transformer station would involve the change out of the power transformer at Sub 3 from the 3 MVA unit to a 5 MVA unit and cable work to extend the overhead feeder to the site. The 5 MVA unit will be available from another ORPC station that will be removed from service as a result of voltage conversion. The costs for the transformer upgrade and relocation costs and are estimated to be \$30,000.

26 f). Please verify that this cost to upgrade the station has been included in the DCF
27 calculation to determine the capital contribution requirements.

The reinforcement cost of \$62,000 (transformer and feeder extension) shown on page 2 of the supplemental report of February 22, 2009 is not included in the projected capital contribution from the developer. This work would be triggered by the development of the following phases.

28
29 3. Ref. January 9, 2009 Evidence, Page 4, Section 7. Addition Information for Contested
30 Applications

31
32 Item 5 suggests that the Ontario Energy Board's ("the Board") 1999 licensing
33 process was flawed in determining that Hydro One was the default service provider
34 outside the boundaries of a former municipal electric utility.

35
36 a). Please clarify how the Board would have otherwise determined the service areas
37 of all the LDC's in the Province and especially in this case when ORPC and
38 Hydro One jointly service the Town of Mississippi Mills.

The geographic licensing system adopted by the Board at the time of market opening was an expedient method of allowing the market to be established. At that time, I recall having a discussion with an OEB official at a Kingston meeting about the issue of expanding municipalities and the problems that would occur. I then facetiously suggested that the utility I worked for (at that time) would like to have the Province of Ontario as its service area to have

the opportunity to seek out new development areas. Obviously, that would have created chaos.

In this application, I now respectfully suggest that the legislation should have allowed for municipal based LDC's to be expand with their municipalities into unserved "green field" areas.

39 b). Your statement " *that the natural evolution should be that the LDC would*
40 *grow with the development*" indicates that only LDC's other than Hydro One
41 should be permitted to grow when rural lands are developed. Please explain.

As discussed above, I believe it makes practical sense to allow municipal utilities to expand with their municipal expansions. I am not suggesting that Hydro One should not expand, as they obviously do for rural development, estate lot developments and urban development adjacent to their own urban areas.

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1 4. Ref. January 9, 2009 Evidence, Page 4, Section 7. Addition Information for Contested
2 Applications

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4 Item 9 states " *had the Almonte village been expanded at the time of the village*
5 *expansion for the industrial park on the southeast side of Ottawa Street, this would*
6 *not be an issue today.*"

7

8 a). Please elaborate on this statement.

This simply refers to the fact that the service area for ORPC was defined in the Distribution Licence in 2000 as those lands within the former Town of Almonte. The Town limits at that point in time consisted of the village area and a more recently added industrial park area that was served by Almonte Hydro. Had the town council established a broader footprint for the Town of Almonte, presumably the license would have included the lands that are part of this application.

9

b). When did the village expand for the industrial park.

The industrial park lands (Industrial Avenue) were added to the village under a bylaw, dated April 14, 1981.

10 c). Was this an annexation of lands from the neighbouring municipality?

11

The lands were previously part of Ramsay Township and were bought by the Town for the industrial park.

11 d). Was a By-law subsequently passed to permit the PUC of the time to service the
12 annexed area?

We have not been able to find a record of a By-Law being passed to allow Almonte Hydro to service the industrial park. Individuals who were involved with the utility at that time do not have a recollection of such a transaction. However, they do recall that the land for the industrial park was owned by Eddy Giles, who later sold the land to Izzy Cohen, from whom the Town bought the land from for the industrial park. The Giles farm bordered on Patterson Street and was supplied by Almonte Hydro. This was a similar situation to the Sadler lands.

14 5. Ref. January 9, 2009 Evidence, Attachment 3,
15 Ref. Feb 22, 2009 Supplemental, page 1, Item 1 (a)

16
17 In Item 1 you describe the SAA lands as Part of Lot 16, Concession 10 of the
18 Geographic Township of Ramsay. Attachment 3 appears to depict a registered plan
19 of subdivision.

20
21 a). Has the plan been registered?

The development has draft approval by the Town of Mississippi Mills. The registration of the plan will be part of the process of clearing the conditions for the development to proceed.

22

23 b). Has the plan been approved by the municipality?

24

The draft plan (as noted above) has been approved by the Town of Mississippi Mills