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Susan Frank

Vice President and Chief Regulatory Officer
Regulatory Affairs

BY COURIER

April 21, 2009

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

Dear Ms. Walli:

EB-2009-0019 – Ottawa River Power Corporation Service Area Amendment – Hydro One Networks' Evidence

I have attached a copy of Hydro One Networks' Submission in response to Ottawa River Power Corporation's application for Distribution Licence Amendment.

An electronic copy of Hydro One Networks' Interrogatory questions has been filed using the Board's Regulatory Electronic Submission System (RESS).

Sincerely,

ORIGINAL SIGNED BY SUSAN FRANK

Susan Frank

Attachment

HYDRO ONE NETWORKS INC. SUBMISSION IN RESPONSE TO OTTAWA RIVER POWER CORPORATION'S APPLICATION FOR DISTRIBUTION LICENCE AMENDMENT

1. OVERVIEW

Hydro One Networks Inc. ("Hydro One") opposes Ottawa River Power Corporation's ("ORPC") distribution licence amendment application as filed.

The application seeks an amendment that includes a parcel of land on which three phases of a subdivision are proposed to be developed over the next 10 years.

2.0 BACKGROUND

ORPC is the amalgamation of 4 former municipal utilities with 10,500 customers across the 4 distinct service areas of Pembroke, Beachburg, Killarney and the former Town of Almonte. The former Town of Almonte is now a ward within the amalgamated Town of Mississippi Mills.

Hydro One provides service to the areas surrounding the 4 licensed service areas of ORPC, including the remainder of the Town of Mississippi Mills outside of Almonte Ward.

3. NETWORKS' SUBMISSION

3.1 Application - Timing

The amendment area consists of three phases of a proposed development that currently has only draft approval from the municipality. Phase 1 of the development is tentatively scheduled for construction in the spring of 2009, subject to final approvals and the

1 economic conditions (Interrogatory Response 1(b)). Phases 2 and 3 also have draft
2 municipal approval and are expected to develop over the next 10 years (Interrogatory
3 Response 1(c)). No Offers to Connect have been made to, nor accepted, by the
4 developer.

5
6 Hydro One contends that this application does not meet the requirements of Decision
7 with Reasons for RP-2003-0044. In section 4.3 Economic Efficiency, paragraph 240, the
8 Board states:

9
10 *“Applications for amendment which involve broad swathes of geography, without*
11 *detailed proposals respecting specific customers should be avoided.”*

12
13 ORPC’s application is at best premature. If development for Phase 1 actually proceeds,
14 ORPC could apply to amend its service area for that section only.

15 16 **3.2 Supply to the Development**

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18 Like ORPC, Hydro One is well positioned to service this development, should it proceed.
19 Networks has a new 8 kV three-phase line at the southern entrance to the development
20 and single phase 16 kV line at the north entrance to the future phases. An additional
21 nearby supply is available from a 12.4 kV three-phase line. System reinforcement would
22 possibly not be required until the final phase of the development is connected. The nature
23 of the system reinforcement is dependent on general load growth in the area and in the
24 specific development. Hydro One contends that its ability to service the site is technically
25 equal to ORPC’s.

26
27 In regards to costs for Hydro One to service the development, Hydro One has only
28 recently been requested for an Offer to Connect by the developer. The design and
29 estimating process is progressing and Hydro One will file the Offer to Connect once
30 completed if required.

1 In the RP-2003-0044 Decision with Reasons, Section 3.3 Contiguous Boarder
2 Amendments, Paragraph 199, the Board states

3
4 *“In contested applications the onus will on the applicant to demonstrate that the*
5 *amendment is in the public interest”.*

6
7 Hydro One believes ORPC has not met this onus.

8 9 **3.3 Municipal Alignment**

10
11 The evidence provided by ORPC states that their licensed service area should be tied to a
12 municipal boundary. The Almonte Ward is essentially a municipal boundary within a
13 municipal boundary. As the ward is expanded ORPC believes that its licensed service
14 area should automatically be expanded with it. A letter from the Mayor of the
15 municipality is provided as support for the amendment application.

16
17 In the RP-2003-0044 Decision with Reasons, Section 4.2 Customer Preference,
18 Paragraph 241 the Board states:

19
20 *“Similarly, proposals to align service areas with municipal boundaries are ill-*
21 *considered unless the proponent can provide concrete evidence that the extended*
22 *area is needed to provide service to actual customers in the area using assets and*
23 *capacity in a manner that optimizes existing distribution assets, and does not*
24 *prejudice existing customers of the utility”*

25
26 Further the Board states:

27
28 *“The Board does not regard such alignment to be inherently beneficial. It is*
29 *apparent that the decoupling of the electrical utilities from municipal government,*
30 *which is one of the signal reforms in the recent development of the electricity*
31 *market, will continue to evolve”.*

1 Hydro One contends that ORPC's desire to align its service area to the expanded
2 Almonte Ward boundary is contrary to the RP-2003-0044 Decision with Reasons.

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4 **4. SUMMARY OF NETWORKS' POSITION**

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6 In summary Hydro One contends that the application brought forward by ORPC:

- 7
8
 - Is premature
 - 9 • Seeks lands that do not have detailed proposals or specific timelines
 - 10 • Has not demonstrated the amendment is in the public interest
 - 11 • Seeks to align the licensed service area with a municipal boundary.

12
13 In general the application does not meet the requirements of the RP-2003-0044 Decision
14 with Reasons.

15
16 **5. DECISION REQUESTED**

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18 Networks respectfully requests the Board to reject the distribution licence amendment
19 application of ORPC as filed.