



Service Area Amendment (SAA) Application

**Erie Thames Powerlines Corporation
Distribution Licence ED-2002-0516**

March 2011

1 **7.0 INTRODUCTION**

2
3
4 *This application for a Service Area Amendment is structured and follows the minimum filing requirement for SAA assigned by the Ontario Energy Board. The section numbers follow the filing requirement of the base reference.*

5
6 Erie Thames Powerlines Corporation (“Erie Thames”) is making an Application to the Ontario Energy Board
7 (“OEB”) for the purpose of amending Erie Thames licenced service area as described in Schedule 1 of its
8 Distribution Licence ED-2002-0516 to include the lands (the “Sifton Lands”) owned by Sifton Properties Ltd.
9 (“Developer”) located in the Town of Ingersoll that are designated for residential development. The subject lands is
10 described as All of Part Lot 10, Block 69 and part of Lots 6, 7, 8 & 9, Block 69, Part of Lots 11 & 12, Block 68 &
11 part of Robert St., Registered Plan 279 & part of Lots 6, 7 & 8, Registered Plan 173 & Part of Lot 19, Concession 1
12 (West Oxford), in the Town of Ingersoll, and the County of Oxford. *Tab 3 – Map 3 depicts the subject area. Tab 2-*
13 *Map 2C depicts the lands designated commercial use.* The vacant land is by default deemed to be located in the
14 licensed service territory of Hydro One Networks Inc. (“Hydro One”).

15
16 Hydro One Networks Inc. (“Hydro One”) has indicated that it is not in support of this Application.

17
18 Erie Thames requests that the Board proceed with this SAA application by means of a written hearing. However,
19 Erie Thames has no objection to an oral hearing if Hydro One wishes to proceed in this manner.

20
21 This SAA application has been prepared in accordance to the Board’s Filing Requirements for Service Area
22 Amendment SAA Applications, Chapter 7, Board File Number EB-2006-0327.

23
24 **7.1 BASIC FACTS**

25 *The information in this section is required to provide the Board with Basic information about the application and an*
26 *understanding of the details of the proposed SAA.*

27
28 Sifton Properties Limited has been granted the approval from the Town of Ingersoll and the County of Oxford to
29 develop the described lands to accommodate residential housing and commercial development. The Developer
30 intends to develop the Sifton Lands in Phases. Phase 1 will consist of 54 single family homes, and one multi-family
31 residential block. Future phases will include additional single family homes, multi-family blocks and commercial
32 development. Erie Thames is making application to the Board to amend Erie Thames distribution license service
33 area to include the Sifton Lands designated in this development as residential (Phase 1 and future Phase 2).

34
35 The property is by default currently deemed to be located in Hydro One’s service territory. Erie Thames service
36 boundary lies along the subject area. The subject land is undeveloped “green space” meaning there are no assets,
37 poles, wires, transformer etc of any distributor on the property, therefore no assets would be stranded, duplicated or
38 required to be sold or purchased.

Erie Thames currently supplies customers to the north and east of the proposed development. Erie Thames is the physical distributor to Hydro One long term load customer's located to the west of the subject area.

Erie Thames has the existing infrastructure and capacity to supply the subject area without causing any adverse service quality or reliability affects to existing customers. The Ingersoll TS supplies Erie Thames 38M50 feeder that runs along Harris Street. Erie Thames would extend the existing distribution line to connect the subject area. *Tab 5 depicts the 38M50 feeder from the TS to the subject property.*

Erie Thames would connect the subject area without the use of a retail point of supply. Hydro One would connect using a retail point of supply.

Erie Thames would have the ability to enhance its distribution system in the future to supply the subject area from two different Erie Thames feeders, enable smart grid technology by having the capability to transfer customers between parallel feeders, an option that is not available with Hydro One's radial feed without additional capital investment in construction.

Erie Thames has included in this application letters of support from the Town of Ingersoll and Sifton Development Inc.

GENERAL

7.1.1 (a)

Provide the contact information for each of the following persons:

The Applicant:

Chris White
President
Erie Thames Powerlines Corporation
P.O. Box 157, 143 Bell Street
Ingersoll, Ontario N5C 3K5
Telephone: 519-485-1820 ext 235 Fax: 519-485-4703
Email address: cwhite@erithamespowerlines.com

7.1.1 (b)

Provide the contact information for the incumbent distributor. Contact information includes the name, postal address, telephone number, and, where available, the email address and fax number of the person

The Incumbent Distributor:

Yoon Kim
Applications Analyst, Regulatory Affairs
Hydro One Networks Inc.
483 Bay Street, South Tower, 8th floor
Toronto, Ontario M5G 2P5
Telephone: 416-345-5228 Fax: 416-345-5866
Email address: Yoon.Kim@HydroOne.com

7.1.1 (c)

Provide every affected customer, landowner, and developer in the area that is the subject of the SAA Application. Contact information includes the name, postal address, telephone number, and, where available, the email address and fax number of the person

The Registered Owner/Developer: Sifton Properties Ltd.

195 Dufferin Avenue, London, ON N6A 1K7

Contacts: Matthew Robertson, Land Technician

Telephone: 519.434.3622 ext 237 Fax: 519.434.7693

Email: Matt.Robertson@Sifton.com

7.1.1 (d) & (e)

Provide any alternate distributor other than the applicant and the incumbent distributor, if there are any alternate distributors bordering on the area that is the subject of the SAA application; and any representative of the persons listed above including, but not limited to, a legal representative

- There are no other distributors other than Erie Thames and Hydro One that border on the area.

7.1.2

Indicate the reasons why this amendment should occur and identify any load transfers eliminated by the proposed SAA.

Erie Thames submits it is the optimal solution for Erie Thames to extend its existing 3 phase 27.6 kV distribution system to connect the development, as it represents a practical, low cost connection for the developer, provides design efficiencies and system reliability.

There would be no duplication or stranding of any assets of the incumbent or applicant distributor, the subject area is undeveloped vacant land.

1 The subject area is contiguous to Erie Thames service boundary. Erie Thames is presently the licensed service
2 provider to over 5500 residential and commercial customers in the Town of Ingersoll, the majority of the Town's
3 population. Approval of this application would reduce customer confusion and provide for consistency in the
4 provision of CDM Programs within the community. Efficiency of delivery and results of CDM Programs would be
5 increased if Erie Thames was the service provider for the subject area versus including these customers in the vast
6 rural area of Hydro One.

7
8 Board approval of this application would provide a favorable impact on rates for Erie Thames existing 14,459
9 residential and commercial customers. The development will not have any material impact to Hydro One's
10 approximately 1.3 million rural and urban distribution customers.

11
12 Prior to February 2008 Hydro One had an 8kV feeder running from the Ingersoll DS that supplied Hydro One
13 customers located outside Erie Thames service territory, *Tab 6 includes the circuit design prior to 2008*. Hydro One
14 abandoned the 8kV feeder after requesting a retail point of supply from Erie Thames existing 27.6 kV feeder fed
15 from the Ingersoll TS via the 38M50 circuit. *Tab 6 provides a design drawing for the existing circuit*. Hydro One
16 requested a retail point of supply from Erie Thames on February 7th, 2008. The retail meter point is located on Harris
17 Street at Erie Thames boundaries. This retail point of supply arrangement was to be "temporary" until Hydro One
18 made other arrangements to supply the customers south of Ingersoll. As of the date of this application the retail
19 meter point still exists. If Hydro One connects the proposed development additional load will be added through the
20 retail point. Erie Thames would connect the subject area without the use of a retail point of supply.

21
22 Erie Thames has the existing infrastructure to connect the subject area without increasing reliability risks or capacity
23 constraints to the existing feeder. Erie Thames, as part of its five year plan, has the ability to enhance the existing
24 distribution system and supply the development from two different Erie Thames feeders, creating a parallel feed to
25 enable smart grid technology. *Tab 6 includes the design drawing for the future circuit*. Parallel feeders would
26 provide an alternative source of supply, a backup system for outage situation due to feeder maintenance, and/or
27 emergency situations. Both feeders have the existing capacity to supply the area. Hydro One's existing radial feed
28 could not offer this supply security without additional capital investment in expansion of their distribution system.
29 *Tab 5 includes diagram depicting Erie Thames 27.6 kV distribution system, 38M50 from the Ingersoll TS to the*
30 *retail point of supply and Hydro Ones downstream load.*

31
32 The frequency and duration of power outages occurring on the 38M50 in Hydro One's service territory negatively
33 impacts Erie Thames customers. The Town of Ingersoll is defined as an urban municipality, the Distribution System
34 Code, Chapter 7, Section 7.9.1 states that emergency response time for urban areas is within 60 minutes. Due to the
35 location of the subject area and the fact that Erie Thames has an operation centre within the municipal boundaries of
36 the Town of Ingersoll, Erie Thames crews would respond to any emergency outages in the subject area within 20
37 minutes. Hydro One deems the subject area as rural according to their filing with the Board on July 13, 2009,

1 Service Quality Indicator, EB-2009-0096, Exhibit A that describes their emergency response time as “due to the
2 predominantly rural nature of its distribution system, Hydro One Distribution is required to meet the 120 minutes
3 response time.” If Hydro One supplies the subject area customers could experience longer than necessary power
4 interruptions during emergency situations opposed to Erie Thames expectation that crews be on site within 20
5 minutes. If situations prevent Erie Thames crew from arriving within 20 minutes, the 60 minute response time
6 dictated by the DSC is still 60 minutes less than Hydro One’s anticipated time of response under their rural response
7 time requirement.

8
9 Approval of this SAA application has the potential to enhance public/employee safety, as it would prevent
10 customer/employee confusion in an emergency situation. Erie Thames has a local presence in the Town of Ingersoll.
11 The first point of contact from customers during an emergency situation most often is to Erie Thames. Erie Thames
12 will dispatch crews only to learn when they arrive that the problem is not within Erie Thames service boundaries and
13 Hydro One has to be contacted. This causes restoration delays in power outage situations and can leave customers at
14 risk in an emergency situation.

15
16 Erie Thames customers receive one common bill for electricity and water. Two bills would be issued if Hydro One
17 supplies the subject area. Erie Thames distribution rates are lower than Hydro One’s distribution rate, customers
18 located in the subject area would pay more for the delivery of their electricity than the customers located across the
19 street in Erie Thames service territory.

20
21 Connecting customers through a retail point of supply has the same effect as load transfer arrangements. The only
22 difference being that settlement is done monthly on one meter rather than annually on a number of individual
23 meters. If Hydro One connects the subject area, customers would be added rather than eliminating load transfer
24 arrangements. Erie Thames would connect the subject area without a retail point of supply.

25 26 **DESCRIPTION OF PROPOSED SERVICE AREA**

27 **7.1.3**

28 *Provide a detailed description of the lands that are the subject of the SAA application. For SAA applications dealing with individual*
29 *customers, the description of the lands should include the lot numbers, the concession number, and the municipal address of the*
30 *lands. The address should include the street number, municipality and/or county, and postal code of the lands. For SAA*
31 *applications dealing with general expansion areas, the description of the lands should include the lot number and the concession*
number of the lands, if available, as well as a clear description of the boundaries of the area (including relevant geographical and
geophysical features).

32
33 The legal description of the subject land is described as: Part Lot 19, Concession 1 (West Oxford), in the Town of
34 Ingersoll. Plan of Subdivision: County File No. 32T-06001.

35
36 Sifton Properties Limited is the Developer/Owner of the property.
37

The proposed lands are located on the west side of Harris Street (County Road 119), north of Clarke Road, in the Town of Ingersoll. (Harris Street becomes Plank Line at the Town limits).

The existing land is currently vacant as it was previously zoned agricultural/open space. The site is mostly level ground. The surrounding territory is occupied by residential dwellings, two schools, wooded area to the southwest, Hall's Creek and a storm water management system to the north. The access road into the development will be off of Harris Street. *Tab 1- Map 3 provides an aerial view of the subject area.*

7.1.4

Provide one or more maps or diagrams of the area that is subject of the SAA application. The maps or diagrams must identify the following information:

a) the borders of the applicant's service area

- Tab 1: Map 1 - Defines Erie Thames service area boundaries

b) the borders of the incumbent distributor's service area

- Tab 1: Map 1- Highlights Hydro One's surrounding service area

c) the borders of any alternate distributor's service area, if applicable;

- Not applicable

d) the territory surrounding the area for which the applicant is making the SAA application;

- Tab 2: Map 2 - an aerial view of the surrounding area
Map 2A – an aerial view of Phase I in relation to the area
Map 2B – defines the infrastructure surrounding the area

e) the geographical and geophysical features of the area including, but not limited to, rivers and lakes, property borders, roads and major public facilities;

- Tab 3: Map 3 - an aerial view of the subject area (Harris Street becomes Plank Line at the Town limits)
- Tab 4: Map 4 - Aerial view of the subject and surrounding area detailing the location of the retail point of supply and Hydro One's long term load transfer customers

f) the existing facilities supplying the area that is the subject of the SAA application, if applicable, as well as the proposed facilities which will be utilized by the applicant to supply the area that is the subject of the SAA application (Note: if the proposed facilities will be utilized to also provide for expansion of load in the area that is the subject of the SAA application, identify that as well).

- Tab 5 includes drawings of:
 - ETPL 27.6 kV Distribution System

- 38M50 feeder including Hydro One load downstream from the retail supply
- Delivery and connection point
- Existing distribution system surrounding the subject area
- ETPLs subject area hydro design – Phase I
- Phase I Plan of Subdivision

- Tab 6 includes:

- Block Diagrams of the 38M50 Circuit:

- Prior to 2008

- Existing Circuit; and

- Proposed Future Circuit

DISTRIBUTION INFRASTRUCTURE IN AND AROUND THE PROPOSED AMENDMENT AREA

7.1.5

Provide a description of the proposed type of physical connection (i.e., individual customer; residential subdivision, commercial or industrial development, or general service area expansion).

The proposed type of physical connection subject to this SAA is described as residential subdivision.

7.1.6

Provide a description of the applicant's plans, if any, for similar expansions in lands adjacent to the area that is the subject of the SAA application.

Provide a map or diagram showing the lands where expansions are planned in relation to the area that is the subject of the SAA application.

Erie Thames has no plans other than to supply the residential customers in Phase I and Phase II of the subject property. The lands adjacent to the subject area are already developed.

7.2 EFFICIENT RATIONALIZATION OF THE DISTRIBUTION SYSTEM

The proposed SAA will be evaluated in terms of rational and efficient service area realignment. This evaluation will be undertaken from the perspective of economic (cost) efficiency as well as engineering (technical) efficiency.

Applicants must demonstrate how the proposed SAA optimizes the use of existing infrastructure. In addition, applicants must indicate the long term impacts of the proposed SAA on reliability in the area to be served and on the ability of the system to meet growth potential in the area. Even if the proposed SAA does not represent the lowest cost to any particular party, the proposed SAA may promote economic efficiency if it represents the most effective use of existing resources and reflects the lowest long run economic cost of service to all parties.

Erie Thames has an existing reliable 27.6 kV overhead distribution line running along the east side of Harris Street adequate to supply the subject area. Erie Thames capital plan includes the conversion of an existing customer located on the west side of Harris Street. Erie Thames would coordinate this project with the connection of the development subject to this application. Erie Thames would then extend the 27.6 kV overhead distribution line one

1 pole span and then enter the subject area underground using municipal infrastructure. This would create a low cost
2 connection for the developer.

3
4 There would be no duplication of distribution lines or other distribution assets or facilities and no assets would be
5 stranded. This is the optimal solution for a cost efficient connection.

6
7 Hydro One would connect downstream of the retail point of supply, adding more customers to the retail point.
8 Approval of this SAA application would reduce the number of customers connected through a retail point of supply.

9
10 Efficiency of delivery and results of CDM programs would be increased if Erie Thames was the service provider for
11 the subject area. Consistency of provisions of these programs within the community would alleviate customer
12 confusion. Adding these customers to Erie Thames approximate 14,500 existing customers would have a more
13 positive customer impact than being included with Hydro One's approximate 1,400,000 residential customer base.

14
15 Future plans to develop Erie Thames distribution system with smart grid technology would also provide customers
16 in this area with an alternate source of supply. This option would not be available from Hydro One with their
17 existing radial feed. Tab 6 includes a block diagram of the 38M50 circuit prior to 2008, the existing circuit and a
18 drawing of the future circuit if the Board approves this applications allowing Erie Thames to connect the subject
19 area and enhance Erie Thames distribution system with smart grid technology.

20
21 If Hydro One extends its existing 27.6 kV line that runs along Harris Street to connect the subject area, the supply
22 will still come from Erie Thames 38M50 feeder out of the Ingersoll TS. There is currently adequate capacity to
23 supply the area, however Erie Thames is concerned that if Hydro One connects the development future reliability
24 issues from additional exposure and capacity constraints could materialize and impact Erie Thames existing
25 customer and impact future growth in Erie Thames service area. Hydro One has a large rural area outside Erie
26 Thames boundaries. Erie Thames has no control over the customers connecting to Hydro One's feeder supplied by
27 Erie Thames. There is always the potential of overloading a feeder, the added load of the subject area and future
28 customers in Hydro One's service area could cause adverse affects on the performance of the 38M50 that will affect
29 Erie Thames customers. Incidents on the 38M50 in Hydro One's service area have in the past caused interruption to
30 Erie Thames customers.

31
32 Erie Thames has an aggressive 3 year cycle vegetation maintenance program. Hydro One's vegetation management
33 cycle is 7 year. Timely outages are usually the result of severe wind storms that take down trees and snapped poles.
34 The frequency of Erie Thames' maintenance program reduces the risk of an outage. Erie Thames has a presence in
35 the Town of Ingersoll. Line staff is working within the Town daily. Vegetation growth that could affect the
36 reliability of the feeder performance can be more easily monitored by Erie Thames outside the three year cycle.

Erie Thames deems this area urban and our response time to all trouble calls is within 60 minutes. Hydro One treats the area as rural with an expected response time of within 120 minutes. In outage situations customers would be without power for an additional 60 minutes waiting for Hydro One to arrive. Erie Thames has a local presents in the Town of Ingersoll with trucks and crews located within the municipality allowing a faster response to emergency situations that may occur in the subject area. Approval of the application would allow Erie Thames to respond to all emergency outage situations in a reasonable time frame. This would minimize the inconvenience of an interrupted supply of electricity to customers in this area and restore their power in the most efficient manner available to them.

7.2.1 ECONOMIC AND ENGINEERING EFFICIENCY

In light of the above, provide a comparison of the economic and engineering efficiency for the applicant and the incumbent distributor to serve the area that is the subject of the SAA application.
(NOTE: (a), (b), (c), (d), (e), (f), (g), (h))

7.2.1 (a)

Location of the point of delivery and the point of connection

Tab 5 includes a map that depicts the location of the point of delivery and the point of connection if Erie Thames connects.

7.2.1 (b)

Proximity of the proposed connection to an existing, well developed electricity distribution system

Erie Thames existing distribution system is approximately 50 meters from the proposed connection. Hydro One's existing pole line is approximately 50 meters from the entrance to the proposed developed. Hydro One is supplied through a retail point connected to Erie Thames 27.6 kV overhead distribution line at Erie Thames boundary.

7.2.1 (c)

The fully allocated connection costs for supplying the customer (i.e., individual customers or developers) unless the applicant and the incumbent distributor provide a reason why providing the fully allocated connection costs are unnecessary for the proposed SAA
(Note: the Board will determine if the reason provided is acceptable).

Erie Thames fully allocated connection costs for supplying Phase I of the subject area are as follows:

Contestable Electrical Plant Installation:	\$46,320.45
Non Contestable Electrical Plant Installation:	\$73,075.33
Connection Rebates	(\$95,162.58)
Total cost to the Developer	\$24,233.20 plus taxes

Tab 8 contains a copy of Erie Thames Offer to Connect.

Hydro One's fully allocated connection costs for supplying Phase I of the subject area are as follows:

Contestable Electrical Plant Installation	\$117,728.02
Non-Contestable Electrical Plant Installation	\$ 82,874.73
Connection Rebates	(\$97,301.00)
Total cost to the Developer	\$104,301.75 plus taxes

Tab 9 contains a copy of Hydro One's Offer to Connect

**All costs are stated before applicable taxes.*

For the purpose of comparing costs for this application Erie Thames broke down their charges in a similar format as Hydro One. The comparison is included in Tab 8.

At the time of this SAA application revised design drawings from the Developer have not been received for Phase II. The cost to supply Phase II has not been included in this SAA application.

7.2.1 (d)

The amount of any capital contribution required from the customer

Erie Thames will request a capital contribution from the customer of \$24,233.20 plus taxes for a total of \$27,383.52.

Hydro One would request from the customer \$117,860.98 includes taxes.

Tab 8 contains a copy of Erie Thames Economic Evaluation.

7.2.1 (e)

Costs for stranded equipment (i.e., lines, cables, and transformers) that would need to be de-energized or removed

- No assets will be stranded. The area subject to this application is undeveloped land.

7.2.1 (f)

Information on whether the proposed SAA enhances, or at a minimum does not decrease, the reliability of the infrastructure in the area that is the subject of the SAA application and in regions adjacent to the area that is the subject of the SAA application over the long term

The proposed SAA will be an expansion to Erie Thames existing distribution system. Approval of this application will not cause any adverse affects on reliability in the subject or adjacent areas.

Approval will allow Erie Thames to enhance the distribution system with smart grid technology which would provide customers in the subject area with an alternative source of supply. This option would not be available from Hydro One with their existing radial feed.

1 Regardless whether Hydro One or Erie Thames connects the subject area the electricity will be supplied by Erie
2 Thames 38M50 feeder. Erie Thames would connect without the use of retail point of supply. Hydro One would
3 connect using a retail point of supply.

4
5 Tab 7 includes the 38M50 performance statistics logged on Hydro One's Customer Notification Bulletins from Jan
6 1, 2008 to March 1, 2011. There were 22 events logged during this period. Two motor vehicle accidents and three
7 storm related incidents, these events are out of the control of the utility and the remainder where momentary "blips",
8 the cause was not recorded on this report.

9
10 **7.2.1 (g)**

11 *Information on whether the proposed infrastructure will provide for cost-efficient expansion if there is growth potential in*
12 *the area that is the subject of the SAA application and in regions adjacent to the area that is the subject of the SAA*
13 *application*

14 The proposed infrastructure will support the approximate 155 resident lots/homes described as Phase I & II in this
15 SAA application and is adequate for growth in Erie Thames service area. Erie Thames currently supplies the existing
16 customers to the north, west and east of the subject area. *Tab 2- Map 2 outlines Erie Thames service territory.*

17
18 **7.2.1 (h)**

19 *Information on whether the proposed infrastructure will provide for cost-efficient improvements and upgrades in the area*
20 *that is the subject of the SAA application and in regions adjacent to the area that is the subject of the SAA application.*

21
22 The surrounding area adjacent to this SAA application has been developed over the past seven years. Erie Thames
23 distribution system has been enhanced and upgraded over the years and can accommodate the growth.

24
25 Approval of this SAA application will provide Erie Thames with the ability in the future to enhance Erie Thames
26 distribution system and supply the development from two different Erie Thames feeders, enabling smart grid
27 technology. Hydro One customers would also benefit from this enhancement because Erie Thames supplies the
28 Hydro One customers connected downstream of the retail point.

29
30 Hydro One does not have this ability with a radial feed without additional capital investment in expansion.

31
32 **7.3 IMPACTS ARISING FROM THE PROPOSED AMENDMENT**

33 **Description of Impacts**

34 **7.3.1**

35 *Identify any affected customers or landowners.*

36
37 The subject area is undeveloped, vacant land. There are no existing customers or landowners that would be affected.

7.3.2

Provide a description of any impacts on costs, rates, service quality, and reliability for customers in the area that is the subject of the SAA application that arise as a result of the proposed SAA. If an assessment of service quality and reliability impacts cannot be provided, explain why.

Approval of this Application will not result in any negative safety, reliability, or service impacts for customers locating in the area. Approval of the application would provide these customers with quicker response times in emergency situations, access to a local office, lower rates, one bill for electricity water and sewage charges, provide the area with an alternate source of supply, and access to local conservation programs.

Customers will pay higher distribution charges if Hydro One supplies the area. The following chart compares Hydro One's and Erie Thames current distribution rates.

Rate Comparison Between Erie Thames Powerlines and Hydro One Networks Inc.	Distribution Service Charge \$/month	Distribution Volume Charge cents/kWh unadjusted	Total Volumetric chg based on 1000 kWh	Total Distribution charges	Effective Date
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Erie Thames Powerlines Corporation	\$15.18	0.0155	\$ 15.50	\$30.68	Jul 1, 2010
Hydro One Networks Inc	\$24.77	0.0326	\$ 32.57	\$57.34	Jan 1, 2011

impact per month

61%	48%	48%	54%
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loss factors	Erie Thames	1.0427
	Hydro One	1.085

Rate schedule for Erie Thames and Hydro One residential customer's provide in Tab 1.

Lower rates are available to the customers locating in the subject area if the Board approves this application and allows Erie Thames to include these customers in Erie Thames service area.

7.3.3

Provide a description of any impacts on costs, rates, service quality, and reliability for customers of any distributor outside the area that is the subject of the SAA application that arise as a result of the proposed SAA. If an assessment of service quality and reliability impacts cannot be provided, explain why.

- There would be no impacts to any customers of any distributor outside the subject area.

7.3.4

Provide a description of the impacts on each distributor involved in the proposed SAA. If these impacts have already been described elsewhere in the application, providing cross-references is acceptable.

The impacts for Erie Thames include:

- Erie Thames has an existing distribution system adequate to efficiently connect the subject area without the use of a retail meter point.
- There are opportunities to enhance the distribution system and enable Smart Grid technology.
- Expand Erie Thames customer base.
- The Town of Ingersoll is a Shareholder of Erie Thames and as such the regulated rate of return goes back to the Town of Ingersoll to support local needs.
- The amendment area is contiguous to the existing service territory.
- The subject area is within the municipal boundaries of the Town of Ingersoll. Approval of this SAA application is a good “fit” for the Town of Ingersoll as they are a shareholder of Erie Thames.
- Erie Thames offers lower delivery rates to the end users and lower connection costs to the developer.
- Erie Thames will provide quicker response times to the area in emergency situations.
- Less customer confusion.
- Increased efficiencies in delivery and results of CDM programs.
- One bill including electricity and water charges would be issued to end users.
- The developer and the Town of Ingersoll both support Erie Thames application.
- Erie Thames has a local presence that works closely with municipal planning departments.

Hydro One impacts:

- Increase customer base.
- Higher rates for end users and higher connection costs for the developer.
- Supply the area from a retail point of supply.
- Longer response times in emergency situations.
- Delivery and results of CDM programs to these customers would be insignificant due to Hydro One’s vast rural area.
- Smart grid technology not available without substantial capital investment.

7.3.5

Provide a description of any assets which may be stranded or become redundant if the proposed SAA is granted.

- Approval of this SAA application will not result in any stranded or redundant assets.

7.3.6

Identify any assets that are proposed to be transferred to or from the applicant. If an asset transfer is required, has the relevant application been filed in accordance with section 86 of the Act? If not, indicate when the applicant will be filing the relevant section 86 application.

- No assets will be transferred.

7.3.7

Identify any customers that are proposed to be transferred to or from the applicant.

- No customers will be transferred.

7.3.8

Provide a description of any existing load transfers or retail points of supply that will be eliminated.

- Approval of this application will avoid the use of a retail point of supply to this area.

7.3.9

Identify any new load transfers or retail points of supply that will be created as a result of the proposed SAA. If a new load transfer will be created, has the applicant requested leave of the Board in accordance with section 6.5.5 of the Distribution System Code ("DSC")?

If not, indicate when the applicant will be filing its request for leave under section 6.5.5 of the DSC with the Board. If a new retail point of supply will be created, does the host distributor (i.e., the distributor who provides electricity to an embedded distributor) have an applicable Board approved rate? If not, indicate when the host distributor will be filing an application for the applicable rate.

- Hydro One will connect the subject area through the existing retail point of supply.

EVIDENCE OF CONSIDERATION AND MITIGATION OF IMPACTS

7.3.10

Provide written confirmation by the applicant that all affected persons have been provided with specific and factual information about the proposed SAA. As part of the written confirmation, the applicant must include details of any communications or consultations that may have occurred between distributors regarding the proposed SAA.

- Tab 8 of the SAA application provides Erie Thames Offer to Connect.
- Tab 9 provides a copy of Hydro One's Residential Subdivision Agreement
- Tab 10 provides letter of support from the Developer, Sifton Properties Limited, and a letter of support from the Town of Ingersoll.

The documents provided signify that Erie Thames has communicated and provided factual information regarding the project to all parties affected by the SAA application.

7.3.11

Provide a letter from the incumbent distributor in which the incumbent distributor indicates that it consents to the application.

- Hydro One does not support this SAA application.

7.3.12

Provide a written response from all affected customers, developers, and landowners consenting to the application, if applicable.

- Tab 10 provides letters of support from the Developer Sifton Properties Ltd. and the Town of Ingersoll.

7.3.13

Provide evidence of attempts to mitigate impacts where customer and/or asset transfers are involved (i.e., customer rate smoothing or mitigation, and compensation for any stranded assets).

- There are no customer and/or asset transfers involved in this application.

7.4 CUSTOMER PREFERENCE

7.4.1

An applicant who brings forward an application where customer choice may be a factor must provide a written statement signed by the customer (which includes landowners and developers) indicating the customer's preference.

- Tab 10 provides a letter of support from the Developer Sifton Properties Ltd.

7.5 ADDITIONAL INFORMATION REQUIREMENTS FOR CONTESTED APPLICATIONS

7.5.1

If the application was initiated due to an interest in service by a customer, landowner, or developer, evidence that the incumbent distributor was provided an opportunity to make an offer to connect that customer, landowner, or developer.

The Developer requested a cost to connect from both Hydro One and Erie Thames.

As evidence that Hydro One had the opportunity to make an offer to connect Tab 9 includes the offer provided to the Developer. After the Developer received both offers, the Developer provided a copy of Hydro One's offer to Erie Thames for the purpose of this application.

7.5.2

Evidence that the customer, landowner, or developer had the opportunity to obtain an offer to connect from the applicant and any alternate distributor bordering on the area that is the subject of the SAA application.

- Tab 8 provides a copy of Erie Thames Offer to Connect
- Tab 9 provides a copy of Hydro One's Offer to Connect

There are no other distributors bordering the area of the subject SAA application.

7.5.3

Actual copies of, as well as a summary of, the offer(s) to connect documentation (including any associated financial evaluations carried out in accordance with Appendix B of the Distribution System Code). The financial evaluations should indicate costs associated with the connection including, but not limited to, on-site capital, capital required to extend the distribution system to the customer location, incremental up-stream capital investment required to serve the load, the present value of incremental OM&A costs and incremental taxes as well as the expected incremental revenue, the amount of revenue shortfall, and the capital contribution requested.

- Tab 8 provides a copy of Erie Thames Offer to Connect: Schedule 3 – Non Contestable Electrical Plant Installation and Schedule 4 – Contestable Electrical Plant Installation and Erie Thames Economic Evaluation.
- Tab 9 provides a copy of Hydro One’s Residential Subdivision Agreement
- Tab 8 includes an estimate comparison. Erie Thames versus Hydro Ones pricing in an “apples to apples” format.

7.5.4

If there are competing offers to connect, a comparison of the competing offers to connect the customer, landowner, or developer.

- There are no other offers than Hydro One and Erie Thames.

7.5.5

A detailed comparison of the new or upgraded electrical infrastructure necessary for each distributor to serve the area that is the subject of the SAA application, including any specific proposed connections.

The Ingersoll TS 38M50 feeds Erie Thames existing 27.6 kV distribution line that runs along the east side of Harris Street to Erie Thames boundary, one pole span before the retail meter point of supply. Erie Thames capital plan includes crossing to the west side of Harris Street to convert an existing customer to 27.6kV. Erie Thames would have to extend its distribution system only one pole span south to enter the property. Coordinating the projects will relieve the Developer of any financially responsibilities for the road crossing and the first pole of contact. The Developer will be responsible for the wire from the first pole to the next pole (one pole span).

Hydro One’s 27.6 kV distribution line is connected to Erie Thames 27.6 kV at Erie Thames boundary. Hydro One’s customers are being supplied from the 38M50 through the retail point on Harris Street. Hydro One’s existing distribution line crosses Harris Street, 2 pole spans from the retail point, and then runs along the west side of the street. Hydro One would supply the subject area from the street entrance off of Harris Street, requiring approximately one pole span.

Tab 5 provides a diagram of the 38M50 27.6kV circuit

7.5.6

Outage statistics or, if outage statistics are not available, any other information regarding the reliability of the existing line(s) of each distributor that are proposed to supply the area that is the subject of the SAA application.

- Tab 7 provides the outage statistics for the period January 1, 2008 to March 1, 2011.

7.6 OTHER

It is the sole responsibility of the Applicant to provide all information that is relevant and that would assist the Board in making a determination in this matter. Failure to provide key information may result in a delay in the processing of the application or in the denial of the application.

In summary the subject area is vacant land, there are no assets of either utility that will be stranded if the Board approves this SAA application.

Erie Thames and Hydro One both have an existing distribution system lying along the subject property that is adequate to supply the subject area.

Both distributors have access to the subject area.

However, if Erie Thames were to supply the subject area:

- Erie Thames would connect without the use of a retail meter point.
- Erie Thames offers a reliable, lower connection cost to the developer.
- Erie Thames has the future ability to enhance the distribution system to enable Smart Grid technology and supply the area from two different feeders. Customers would have access to an alternate source of supply.
- Erie Thames offers lower distribution delivery rates to the end user.
- Erie Thames loss factor is 1.0427 versus Hydro One's 1.085. On a 1000 kWh Hydro One would uplift the usage to 1085 kWh adding an additional increase in cost to end users versus Erie Thames uplift of 1043 kWh.
- Customers would receive one common invoice for electricity and water/sewage charges on Erie Thames electricity bill.
- Erie Thames has a local presence in the Town of Ingersoll and is the service provider for approximately 95% of the existing residential and commercial customers located within the Town of Ingersoll boundaries.
- Erie Thames has an operation center located within the municipal boundaries of the Town of Ingersoll, with an additional operation center in Aylmer Ontario. The 38M50 runs from the Ingersoll TS through Erie Thames service territory in the Town of Ingersoll. Erie Thames is readily available to address any issues that may occur to the feeder within the municipal boundaries of the Town of Ingersoll providing the

1 customers in the subject area with an optimal solution for the quickest response time in emergency
2 situations.

- 3
- 4 • Erie Thames physically participates in municipal events, promotes educational safety and conservation
5 through school programs in the communities we serve.
- 6
- 7 • Erie Thames promotes conservation in the Town of Ingersoll, not only by bill stuffers but by personally
8 attending informational displays at local stores and municipal functions. Customers not only read about
9 available programs but Erie Thames has the ability to display and discuss the programs in person with
10 customers.
- 11
- 12 • Erie Thames is an urban center and response time in outage situations is significantly less than Hydro
13 One's rural designation.
- 14
- 15 • The electricity will be supplied from Erie Thames 38M50feeder if Erie Thames connects or if Hydro One
16 connects. Erie Thames can connect the subject area without the use of a retail point of supply.
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- 18 • Erie Thames has received letters of support from both the Developer and the Town of Ingersoll.
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REQUEST FOR WRITTEN HEARING

Does the applicant request that the application be determined by the Board without a hearing? If yes, please provide:

(a) an explanation as to how no person, other than the applicant and the proposed recipient, will be adversely affected in a material way by the outcome of the proceeding AND

(b) the proposed recipient's written consent to the disposal of the application without a hearing.

Erie Thames request that the Board proceed with this SAA application by means of a written hearing.

The signature on this application acknowledges agreement to dispose of this application by means of written hearing.

Chris White, President

Erie Thames Powerlines Corporation

Dated: _____