

PETERBOROUGH DISTRIBUTION INC.

1867 Ashburnham Drive, PO Box 4125, Station Main Peterborough ON K9J 6Z5

August 15, 2011

File: L69

Ontario Energy Board PO Box 2319 2300 Yonge Street Toronto, ON M4P 1E4

Attention: Board Secretary

Peterborough Distribution Inc. – Service Area Amendment Application

As per section 74 (1) of the OEB Act 1998, Peterborough Distribution wishes to submit the attached application to amend its Distribution Licence to add the service territory described in the application as 1232 Parkhill Rd. W. in the City of Peterborough.

Yours very truly,

J.T. (Jeff) Guilbeault, P.Eng.

V.P. Electric Utility

Telephone (705) 748-9301 ext 1244

E-mail: jquilbeault@peterboroughutilities.ca

Teff Shilbeault

Attachment: SAA Application

Service Area Amendment Application

7.1 Basic Facts

General

7.1.1 Contact Information

Applicant: Peterborough Distribution Inc.

P.O. Box 4125, Stn Main, Peterborough, ON K9J 6Z5

Attention: Mr. J.T. (Jeff) Guilbeault, P.Eng, Vice President, Electric Utility

Phone: 705-748-9301, extension 1244

Fax: 705-748-0120

jguilbeault@peterborough.utilities.ca

Incumbent

Distributor: Hydro One Networks Inc.

483 Bay Street, North Tower, Toronto, ON M5G 2P5

Attention: Angela Yorgiadis

Phone: 905-946-6216

Fax: 905-946-6215

Angela.yorgiadis@hydroone.com

Developer: 2210240 Ontario Inc.

2345 Yonge Street, Suite 800, Toronto, ON M4P 2E5

Attention: Brian Fenton

Phone: 416-483-5588 Ext. 213

Fax: 416-483-5587

brian@peterboroughhomes.ca

Developer's Agent: D.G. Biddle & Associates Ltd.

96 King St. E., Oshawa, ON L1H 1B6

Attention: R.C. Annaert, President

Bob.annaert@dgbiddle.com

7.1.2 Reasons for Amendment

The proposed residential subdivision development is adjacent to existing Peterborough Distribution Inc (PDI) service territory and lies along the existing PDI distribution system and would require no line extension to serve the proposed development.

The incumbent distributor, Hydro One Networks Inc. (HONI) has declined to provide an offer to connect to this development as it is remote from its existing distribution system. HONI has indicated it would have to construct a line extension of approximately 1.0 kilometre to service the proposed development. HONI has also indicated that they do not oppose this application for a service area amendment in favour of PDI as it aids in the efficient rationalization of the distribution system and in the best interest of the Developer and potential future customers.

There are no long term load transfers eliminated by this service area amendment. At the writing of this application there are no existing long term load transfers between PDI and HONI.

7.1.3 Description of Proposed Service Area

The proposed service area to be amended is a new residential subdivision on lands currently known as 1232 Parkhill Rd. W., Peterborough, ON K9J 6X4. They are part of former township lands annexed to the City of Peterborough in 2008. The lands are currently vacant and are under development by 2210240 Ontario Inc. There are no existing distribution customers presently served on these lands.

Legal Description:

FIRSTLY: PT LT 8 S 1/2, CONC 1 TOWNSHIP OF SMITH, AS IN T16363, EXCEPT 45R3402; R442311; T/W R357865; S/T R443105 & R457328; SMI-ENN/PET

SECONDLY: PT LOT 7 E 1/2, CONC 1 TOWNSHIP OF SMITH, AS IN T17675, S/T R470204; SMI-ENN/PET

The general physical boundaries are north of Parkhill Rd. W., south of Jackson Creek, east of 1234 Parkhill Rd. W. and east of 1226 Parkhill Rd. W.

7.1.4 Maps

Attachment A: Draft Plan of Proposed Subdivision Development

Attachment B: PDI Drawing A2908

<u>Distribution Infrastructure In and Around the Proposed Amendment Area</u>

7.1.5 Type of Physical Connection

The Developer will construct an underground residential subdivision with some small commercial blocks. The proposed development is to contain 342 single detached residential lots, 108 townhome lots, block for 60 unit medium density residential and blocks for local commercial, open space, stormwater management and parks. The applicant proposes to connect the development to an existing PDI 27.6 kV feeder that lies along the frontage of the service area amendment on Parkhill Rd W. in the City of Peterborough.

7.1.6 Applicant's Plans for Similar Expansion in the Area

At the writing of this application there are no other expansion plans by the applicant in this area. However, if a similar development was to materialize adjacent to the area, the applicant would seek a further Service Area Amendment with the consent of the Incumbent Distributor.

7.2 Efficient Rationalization of the Distribution System

7.2.1 Economic and Engineering Efficiency of the Applicant and the Incumbent

a) The distance from the existing point of delivery to point of connection:

Applicant: 0 kilometres Incumbent: 1.0 kilometre

b) Proximity of Proposed Connection to Existing Distribution System:

Applicant: 0 kilometres Incumbent: 1.0 kilometre

- c) Total allocated costs would be similar for both the incumbent and the applicant for the actual residential subdivision development but the incumbent would have to construct a 1.0 kilometre line extension in addition to the actual development costs. The incumbent's total allocated cost for the line extension is not known to the applicant but the applicant's estimate would be in the range of \$500,000.
- d) Capital Contribution Required by the Developer:

Applicant: \$1,518,000 (for entire development of 510 lots)

Incumbent: unknown
e) Costs for Stranded Equipment:

Applicant: nil

Incumbent: unknown

- f) The addition of a development of this size on the applicant's distribution infrastructure in the area will not significantly alter the existing reliability of the applicant's infrastructure. The applicant has no knowledge what if any affect it would have on the reliability of the incumbent's infrastructure.
- g) The addition of this service area would have a positive effect on the applicant's utilization of the existing infrastructure but it will have little effect on the growth potential in the area as the development is land locked to other service territory areas adjacent to it. It is unknown what the impact is on the growth potential for the incumbent.
- h) The addition of this service area will help to fund the future enhancement of the area infrastructure in the region of the applicant's distribution system. The applicant has future plans to re-enforce the existing line section of line on Parkhill Rd W with an alternate supply point from the east. It is unknown what the impact is for the incumbent.

7.3 Impacts Arising from the Proposed Amendment

7.3.1 Affected Customers or Landowners

There are no existing affected customers within the service area. The sole landowner is the Developer, 2210240 Ontario Inc. who are in support of this application.

7.3.2 Impacts on Customers in the Service Area Amendment

The distribution rates for the applicant are currently lower than the incumbent for the proposed class of customer in the service area. Future customers will benefit from the lower distribution rates. There should be little or no significant differences on service quality or reliability between the applicant and the incumbent. The developer will likely have a lower capital contribution from the applicant as no line extension is required to connect the development.

7.3.3 Impacts for Customers Outside the Area

The applicant's customers outside the area will not experience any appreciable impact on costs, rates, service quality and reliability. The development represents an addition of 1.4% to the existing customer base likely phased in over several years. The applicant cannot provide comments on the impact of customers outside the service area for the incumbent.

7.3.4 Impacts on the Distributors

There is no appreciable impact on the applicant. It will provide additional customer growth and additional distribution revenue. The only known impact by the applicant on the incumbent would be a release from the obligation to serve and to construct a 1.0 kilometre line extension. The number of customers associated with the service area would be insignificant in terms of growth for the incumbent (0.04 % approximately over several years).

7.3.5 Stranded Assets

There are no stranded or redundant assets for the applicant if the application is granted. The applicant is not aware of any stranded or redundant assets for the incumbent.

7.3.6 Asset Transfer

There is no transfer of assets associated with this application.

7.3.7 <u>Customer Transfer</u>

There is no transfer of customers associated with this application.

7.3.8 Existing Load Transfers or Retail Points Eliminated

There are no load transfers or retail points of supply that will be eliminated by this application.

7.3.9 Load Transfers or Retail Points Created

There are no new load transfers or retail points of supply that will be created by this application.

Evidence of Consideration and Mitigation of Impacts

7.3.10 Written Confirmation

The applicant confirms that all affected persons, namely, the incumbent distributor and the developer have been provided with specific and factual information about the proposed SAA. Attached is correspondence with incumbent distributor in addition to telephone conversations between various staff prior to making this service area amendment application.

Attachment C: E-mail from Incumbent dated May 30, 2011.

7.3.11 Letter from Incumbent Distributor

See Attachment C for preliminary consent to proceed with an application. Incumbent distributor indicated in a telephone conversation that a letter confirming consent would be provided once the incumbent could review the application upon filing with OEB.

7.3.12 Letter from Developer/Landowner

Attachment D: Letter from Developer dated July 4, 2011.

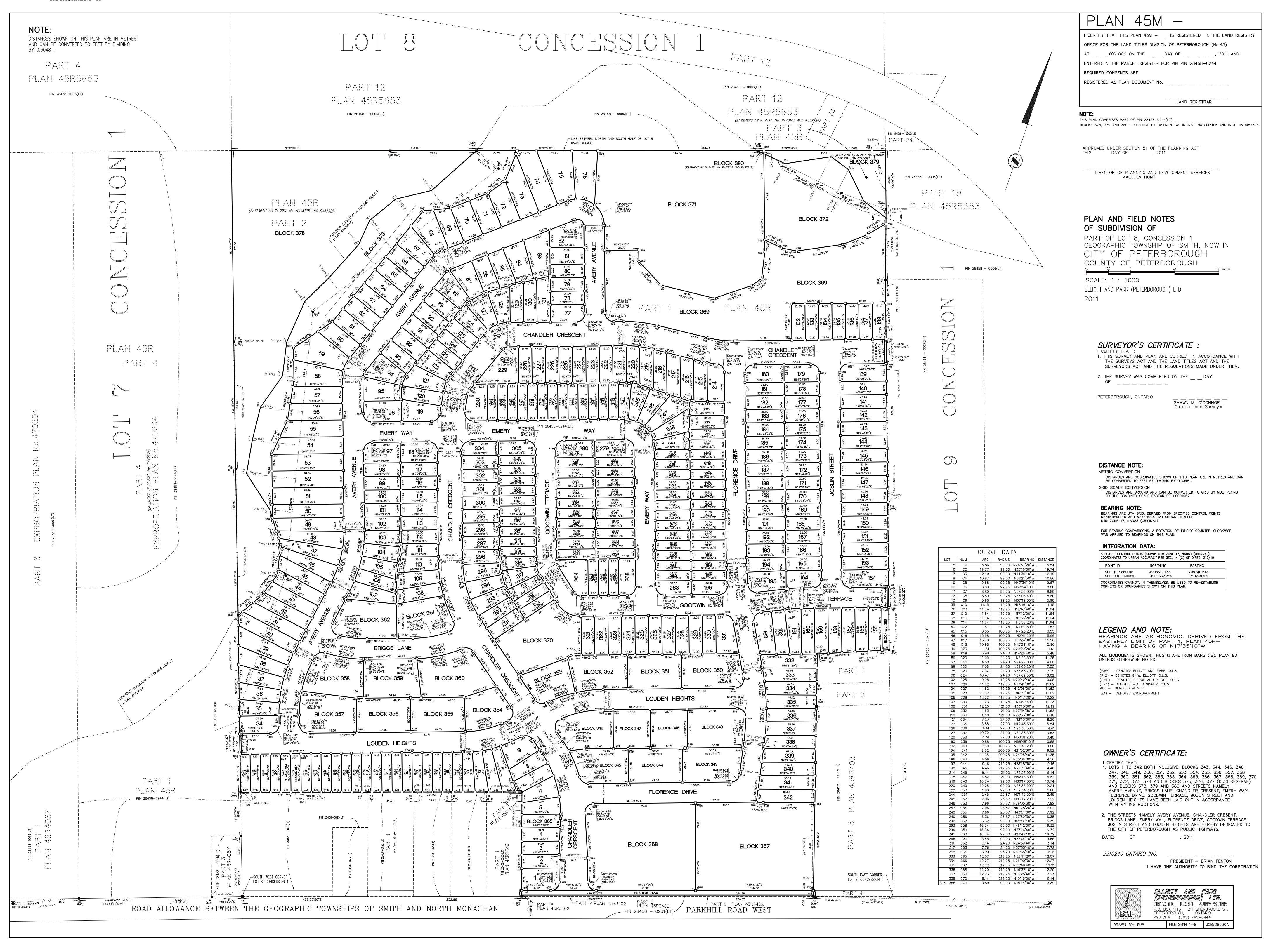
7.3.13 Impact Mitigation

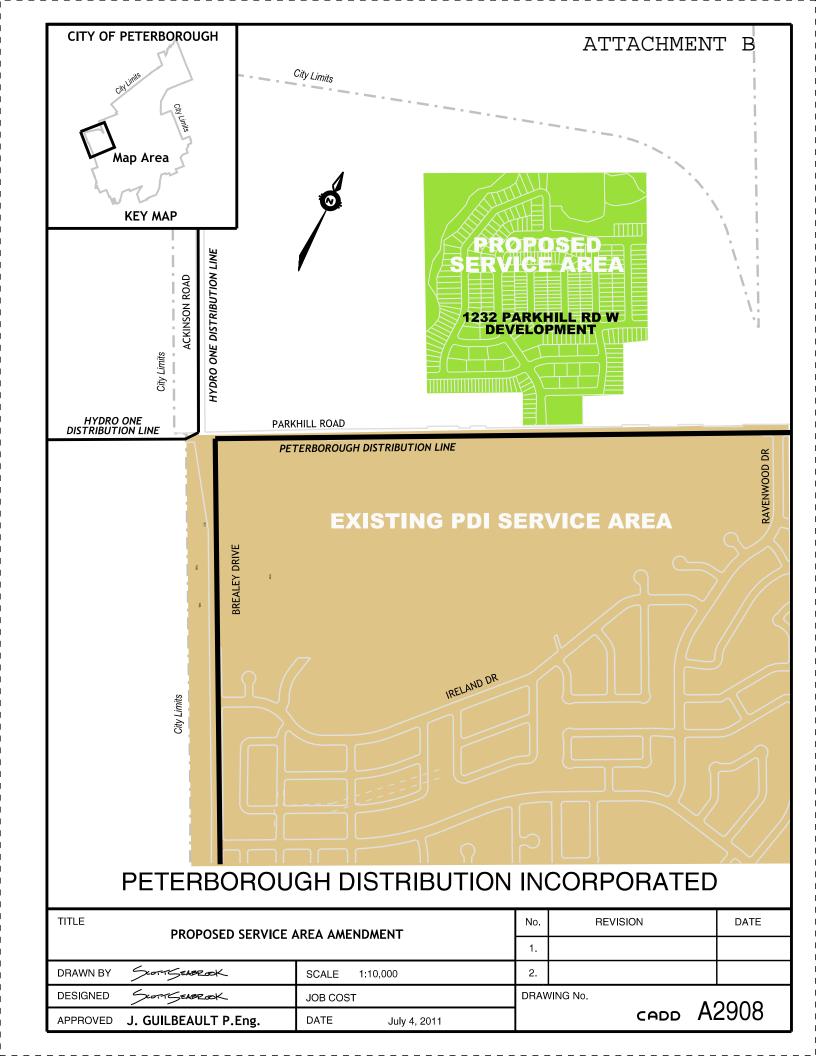
There are no customer or asset transfers involved in this application.

7.4 Customer Preference

7.4.1 <u>Customer Preference</u>

As evidenced by the consent letter from the developer/landowner in Attachment D, they prefer to be served by Peterborough Distribution Inc.





ATTACHMENT C

From:

<Jayde.Kinderman@HydroOne.com>
<JGuilbeault@peterboroughutilities.ca>

To: CC:

<iim.hall@HydroOne.com>, <messervey@hydroone.com>, <BWatson@peterborough...</pre>

Date:

2011/05/30 11:51 AM

Subject:

RE: 1232 Parkhill Rd W., Jackson Creek Meadows Subdivision - Peterborough

Hi Jeff.

As per our conversation, HONI is in support of the proposed Service Area Amendmen; if you are to put your SAA into the OEB, then it's HONI's stance that we would not dispute this.

Please let me know if you need anything further, I'd be happy to help. Jayde

----Original Message----

From: Jeff Guilbeault [mailto:JGuilbeault@peterboroughutilities.ca]

Sent: Thursday, May 19, 2011 11:38 AM

To: KINDERMAN Jayde

Cc: HALL James; messervey@hydroone.com; Bill Watson; John Stephenson

Subject: 1232 Parkhill Rd W., Jackson Creek Meadows Subdivision -

Peterborough

Jayde:

The above address is a new subdivision development located within the corporate boundaries of the City of Peterborough but resides in Hydro One's distribution territory. This area was annexed by the City in 2008.

The developer has approached us for an offer to connect as this development is adjacent to existing lines on our distribution system. He has informed us that Hydro One Networks will likely decline to connect them due to the distance from the existing Hydro One Networks distribution system and the prohibitive cost to construct lines to the development. I have had a brief discussion with the Hydro One subdivision group in Barrie and Mr. Messervey confirmed this recommendation in consultation with Mr. Ashley Lebel, the Hydro One area asset representative.

Please have this reviewed by the appropriate authorities in Hydro One and confirm officially and in writing that they concur with this assessment. I will not proceed with any action until I have confirmation from Hydro One Networks.

It would be our intention to proceed with a Service Area Amendment application for this specific section of the City covering this development to the OEB to meet the development time lines of this subdivision.

Your timely assistance in this matter would be greatly appreciated.

Regards,

J.T. (Jeff) Guilbeault, P.Eng. Vice President Electric Utility Peterborough Distribution Inc.

(705) 748-9301, ext.1244 Fascimile: (705) 748 - 0120

NOTICE:

This transmission is intended only for the addressee. It may contain privileged or confidential information; any unauthorized disclosure is strictly prohibited. If you have received this transmission in error, please notify us immediately by reply e-mail so that we may correct our transmission. Please then destroy/delete the original. Thank you.

2210240 ONTARIO INC.

800-2345 Yonge Street, Toronto, ON M4P 2E5 Tel: 416-483-5588 Ext. 213 – Fax: 416-483-5587

July 4, 2011

Peterborough Distribution Inc. 1867 Ashburnham Drive Peterborough, ON K9J 6Z5

Attention: Jeff Guilbeault

Dear Jeff:

Re: 1232 Parkhill Road, Peterborough

We, 2210240 Ontario Inc. hereby consent to the application being made by Peterborough Distribution Inc. to the Ontario Energy Board to acquire territory which includes the development of our lands located at 1232 Parkhill Road, Peterborough, Ontario and legally described as follows:

FIRSTLY: PT LT 8 S 1/2, CONC 1 TOWNSHIP OF SMITH, AS IN T16363, EXCEPT 45R3402; R442311; T/W R357865; S/T R443105 & R457328; SMI-ENN/PET

SECONDLY: PT LOT 7 E 1/2, CONC 1 TOWNSHIP OF SMITH, AS IN T17675, S/T R470204; SMI-ENN/PET

Yours truly,

2210240 ONTARIO INC.

Per:

Brian Fenton

BSF:FR