

Hydro One Networks Inc.

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Andrew Skalski

Director – Major Projects and Partnerships
Regulatory Affairs



BY COURIER

December 23, 2011

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

Dear Ms. Walli:

Re: Service Area Amendment Application between Hydro One Networks Inc. and Peterborough Distribution Inc.

Hydro One Networks Inc. ("Hydro One") is making the attached Service Area Amendment application to propose a new service area boundary between Hydro One and Peterborough Distribution Inc. ("Peterborough Distribution").

Should you have any questions on this application, please contact Yoon Kim at (416) 345-5228 or via email at Yoon.Kim@HydroOne.com.

Sincerely,

ORIGINAL SIGNED BY ANDREW SKALSKI

Andrew Skalski

Attachment

Service Area Amendment Application

Hydro One Networks Inc.

7.0 INTRODUCTION

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.

- **Hydro One Networks Inc. (“Hydro One”)** is making this service area amendment (“SAA”) application to the Ontario Energy Board (“the Board”) for the purpose of amending Hydro One’s Distribution Licence (ED-2003-0043), specifically for the purpose of connecting a new residential subdivision known as Raymond Street Subdivision II (“RSS II”) that is being developed in the City of Peterborough.
- **The subject area is contiguous to Hydro One’s licensed service area boundary and is located in Peterborough Distribution Inc. (“Peterborough Distribution”) service area.**
- **Peterborough Distribution supports Hydro One to proceed with this SAA application without a hearing as the proposed SAA will have no adverse affect on any person.**

7.1 BASIC FACTS

GENERAL

7.1.1 (a)

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

The Applicant:

Hydro One Networks Inc.
Yoon Kim
Applications Analyst, Regulatory Affairs
Hydro One Networks Inc.
483 Bay Street
South Tower, 8th floor
Toronto, ON, M5G 2P5
Phone: 416-345-5228
Fax: 416-345-5866
E-mail: yoonykim@hydroone.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 or Co-Applicant:

Peterborough Distribution Inc.
Jeff Guilbeault
Vice President Electric Utility
Peterborough Distribution Inc.
P.O. Box 4125, Stn Main
Peterborough, ON K9J 6Z5
Phone: 705-748-9201 ext 1244
Fax: 705-748-0120
Email- jguilbeault@peterborough.utilities.ca

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 or Customer(s):

R.D. Land Corp.
c/o M.J Davenport & Associates Ltd.
169 Lansdowne St. East, Suite 101
Peterborough, ON K9J 7P7
Phone: 705-745-6676
Fax: 705-745-7326
davenport@cogeco.net

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

7.1.2 REASONS FOR APPROVAL OF THIS AMENDMENT

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

- **Hydro One has the existing distribution system readily available and adequate to supply the subject area of the subdivision development, RSS II, offering the most economical connection cost to the customer.**

DESCRIPTION OF PROPOSED SERVICE AREA

7.1.3

(a) Provide a detailed description of the lands that are the subject of the SAA application. For SAA applications dealing with individual customers, the description of the lands should include the lot number, the concession number, and the municipal address of the lands. The address should include the street number, municipality and/or county, and postal code of the lands.

For SAA 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).

- **The subject area is described as: 340 Simons Avenue for the specific Lots 5, 6, 7 and Blocks 53, 54, 64, Peterborough, ON.**
- **The area is currently vacant and is under subdivision development by RD Land Corp.**
- **There are no existing customers presently served.**
- **See Attachment 1 – “Maps – Raymond Street Subdivision II – Peterborough SAA”**

(b) Provide geographic descriptions of the lands that are subject of the SAA application and how they should be reflected on Schedule 1 of the applicants' electricity distribution licences.

- **The proposed amendment would have no impact on Hydro One's distribution licence, as Hydro One's licensed service areas in the City of Peterborough include all areas with the exception of that served by Peterborough Distribution.**

Hydro One Networks Inc. (ED-2003-0043)

APPENDIX B – TAB 4

Name of Municipality:	City of Peterborough as at March 31, 1999
Formerly Known As:	Same
Area Not Served By Networks:	The area served by Peterborough Distribution Inc. described as the City of Peterborough as more particularly set out in Licence No. ED-2002-0504.
Networks assets within area not served by Networks:	Yes
Customer(s) within area not served by Networks:	No

➤ *No change is required*

Peterborough Distribution Inc. – ED-2002-0504

The proposed amendment requires that Schedule 1 of Peterborough Distribution current electricity distribution licence be amended by the following:

1. The City of Peterborough as at January 1, 1998

(c) Except for the following lands which are served by Hydro One Networks Inc.

- 340 Simons Ave., Lots 5, 6 & 7 and Blocks 53, 54 & 64

➤ *Upon approval of this application, this will be added.*

7.1.4

Provide one or more maps or diagrams of the area that is the subject of the SAA application.

- **See Attachment 1 – Maps**

7.1.4 (a)

Borders of the applicant's service area

- **See Attachment 1 – Maps**

7.1.4 (b)

Borders of the incumbent distributor's service area

- **See Attachment 1 – Maps**

7.1.4 (c)

Borders of any alternate distributor's service area

- **Not Applicable**

7.1.4 (d)

Territory surrounding the area for which the applicant is making SAA application

- **See Attachment 1 – Maps**

7.1.4 (e)

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

- **See Attachment 1 – Maps**

7.1.4 (f)

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)

- **See Attachment 1 – Maps**

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 physical connection is a 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.*

- **Not applicable**

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.

- **The purpose of this SAA is to effectively service the new residential subdivision by only one distributor. With the exception of Lots 5, 6, 7 and Blocks 53, 54 and 64 the proposed subdivision is located in Hydro One's service territory. Rather than the customer served by two local distribution companies, Hydro One has been indicated as the preferred distributor to service this subdivision. Hydro One has the existing distribution system readily available and adequate to supply the subject area of the**

subdivision development offering the most economical connection cost to the customer.

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

- **The point of delivery will be fed from Dobbin DS, Switch #213, on the F1 feeder, located in the City of Peterborough.**
- **See Attachment 1 – Maps**

7.2.1 (b)

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

- **See Attachment 1 – Maps**
- **The proposed connection already exists inside Hydro One's distribution system. The purpose of this SAA application is to have one sole provider of electricity to deliver power to the subdivision.**

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 is unnecessary for the proposed SAA
(Note: the Board will determine if the reason provided is acceptable).*

- **The customer's connection costs will be allocated per Hydro One's normal subdivision connection policy incorporating a Discounted Cash Flow analysis, as detailed in Hydro One's publicly available Conditions of Service document.**

7.2.1 (d)

The amount of any capital contribution required from the customer

- **Section 7.2.1 (c)**

7.2.1 (e)

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

- **Not applicable**

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 reliability will not be adversely affected by the proposed service area amendment.**

7.2.1 (g)

Information on whether the proposed infrastructure will provide for cost-efficient expansion if there is growth potential 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

- **Not applicable**

7.2.1 (h)

Information on whether the proposed infrastructure will provide for cost-efficient improvements and upgrades 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.

- **Not applicable**

7.3 IMPACTS ARISING FROM THE PROPOSED AMENDMENT

Description of Impacts

7.3.1

Identify any affected customers or landowners.

- **See 7.1.1 (c)**

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.

- **New subdivision development (no existing customer impact)**

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.

- **No adverse impact**

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.

- **See description of the service area amendment in Section 7.1.3**
- **See Section 7.1.4 for description details.**

7.3.5

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

- **None**

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.

- **None**

7.3.7

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

- **No existing customers will be transferred.**

7.3.8

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

- **Not Applicable.**

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.

- **There are no new load transfers or retail points of supply that will be created.**

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.

- **See Attachment 2 – Letters**

7.3.11

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

- **See Attachment 2 – Letters**

7.3.12

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

- **See Attachment 2 – Letters**

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).

- **Not Applicable**

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.

- **See Attachment 2 – Letters**

7.5 ADDITIONAL INFORMATION REQUIREMENTS FOR CONTESTED APPLICATIONS

If there is no agreement among affected persons regarding the proposed SAA, the applicant must file the additional information set out below.

- **Not Applicable**

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.

- **Not Applicable**

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.

- **Not Applicable**

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.

- **Not Applicable**

7.5.4

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

- **Not Applicable**

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.

- **Not Applicable**

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.

- **Not Applicable**

7.5.7

Quantitative evidence of quality and reliability of service for each distributor for similar customers in comparable locations and densities to the area that is the subject of the SAA application.

- **Not Applicable**

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.

7.7 REQUEST FOR NO 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.

(a) Hydro One requests that the application be disposed of without a hearing. There will be no adverse impact resulting from the proposed service area amendment. And, both the Parties agree to proceed with the service area amendment application without a hearing.

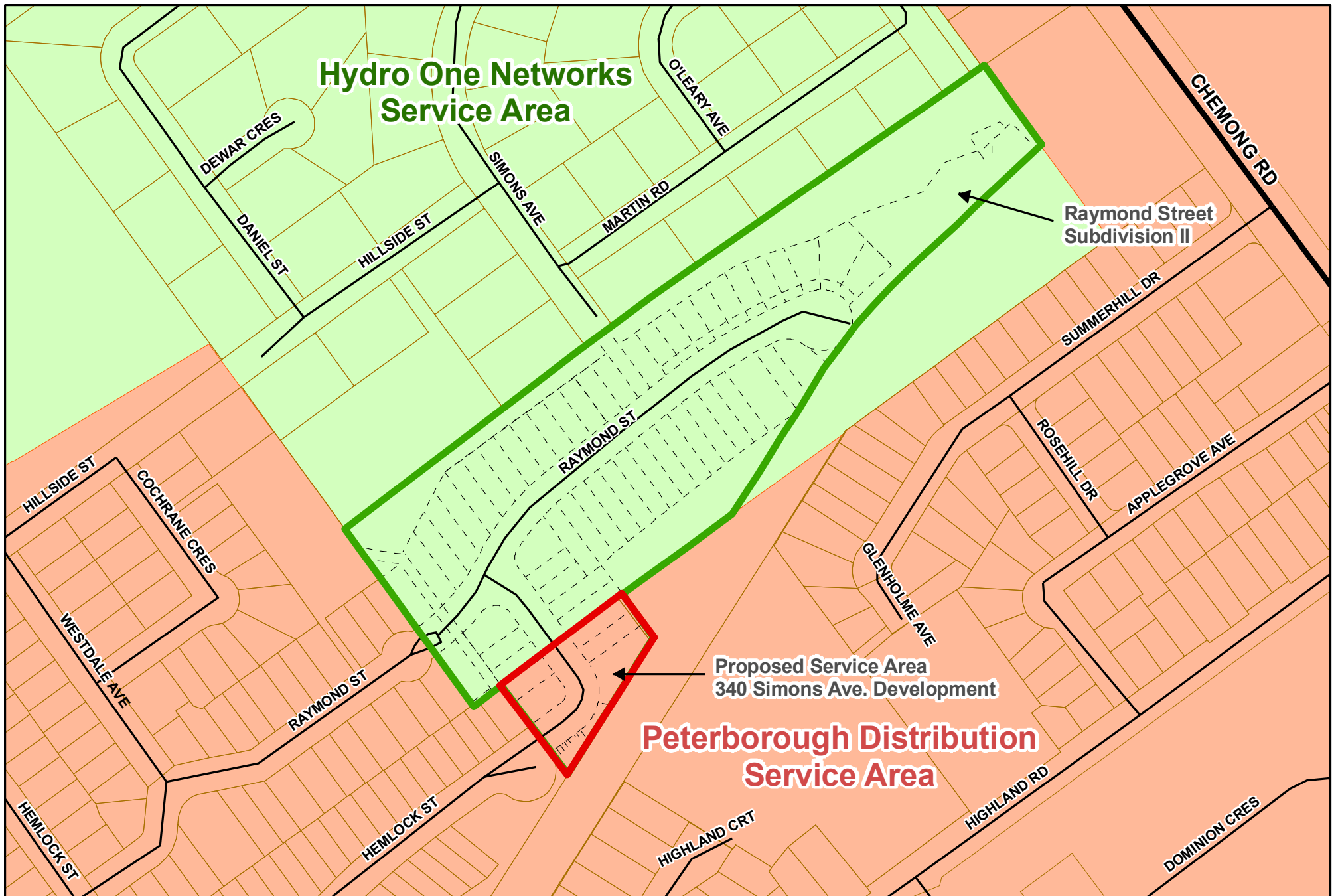
(b) Please see Attachment 2 – Peterborough Distribution Inc.'s consent letter.

ORIGINAL SIGNED BY ANDREW SKALSKI

Andrew Skalski
Director – Major Projects and Partnerships
Hydro One Networks Inc.

Dated: JANUARY 12, 2012

ATTACHMENT 1 – MAPS



Raymond Street Subdivision II - Peterborough - SAA



Map 1 - Location of Proposed Development



Peterborough Distribution Inc.



Hydro One Service Area



Proposed Parcel Boundaries



New Subdivision Area



Project Area



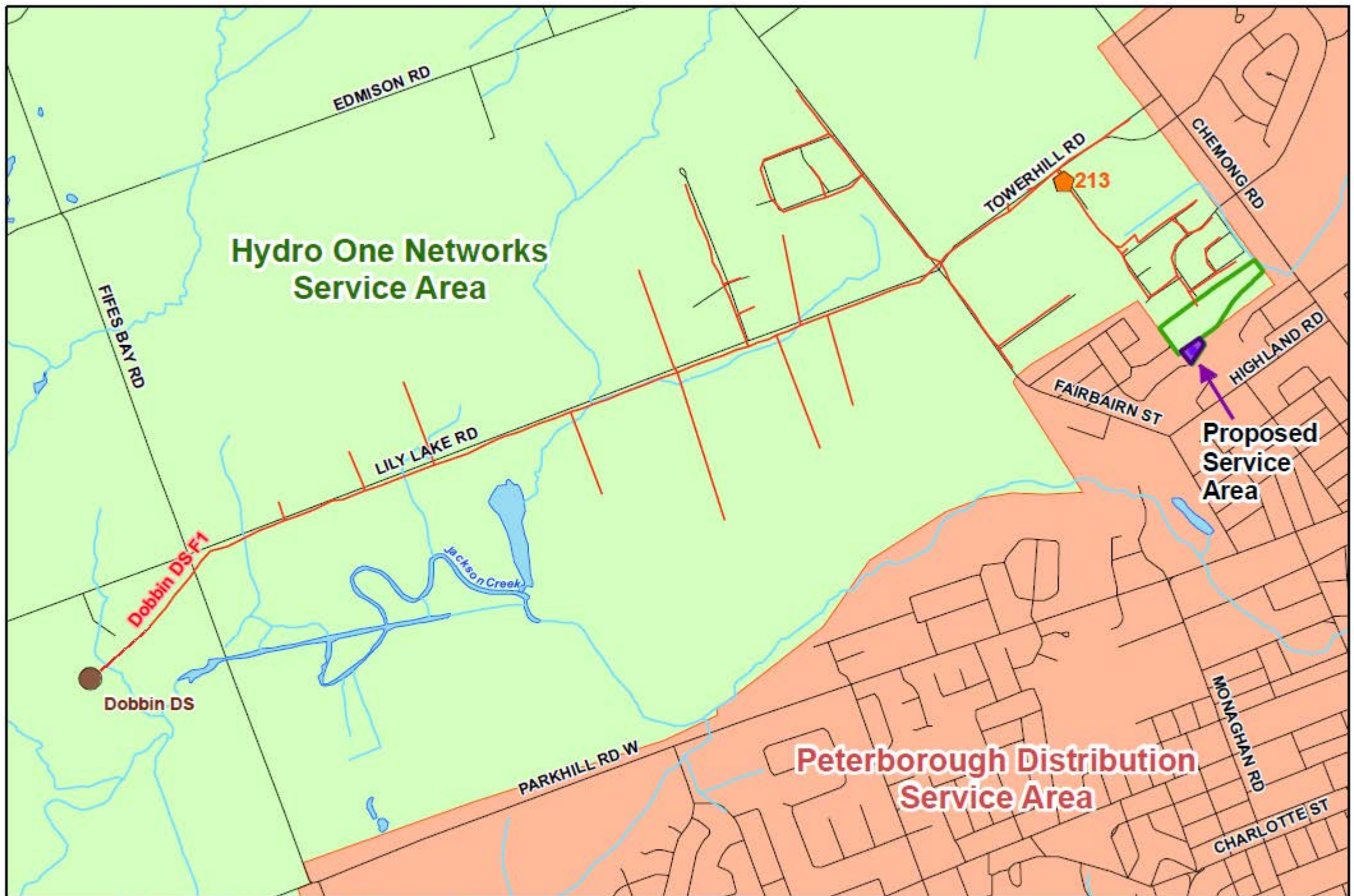
Existing Parcel Boundaries

Produced By: Inergi LP, GIS Services
Date: October 2011
Map11-75_ProjectArea_v5



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Raymond Street Subdivision II - Peterborough - SAA

Map 2 - Existing Distribution Facilities that Supply the Area

- Distribution Station
- Fuse
- Existing 16.0/27.6 kV Feeder

- Peterborough Distribution Inc. Service Area
- Hydro One Networks Service Area
- New Subdivision Area
- Existing Lands Subject to Applications to Hydro One From Peterborough Dist. Inc.

Produced By: Inergi LP, GIS Services
 Date: November 28, 2011
 Map11-75_SAA_Map
 inergi
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ATTACHMENT 2 - LETTERS



PETERBOROUGH DISTRIBUTION INC.

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

December 20, 2011

File: E57-RA

Hydro One Networks Inc.
Customer Business Relations
483 Bay St. North Tower, 14th Floor
Toronto ON M5G 2P5

Attention: Ms. Jayde Kinderman, Account Executive

Dear Ms. Kinderman:

**Service Area Amendment Application
Raymond Street Subdivision II, Peterborough, Ontario**

As requested for your service area amendment application to the Ontario Energy Board, this letter indicates Peterborough Distribution Inc. support for the application to amend the distribution service areas in connection with the above named subdivision.

The subdivision being developed straddles the service territories of the two utilities with the majority located in Hydro One Networks Inc. service territory. It is our understanding the application will seek to include Lots 5, 6 & 7 and Blocks 53, 54 & 64 of the above named subdivision and transfer it from Peterborough Distribution Inc. service territory to the Hydro One Networks Inc. service territory.

This service area amendment is to facilitate the servicing of the above named lots along with the majority of the subdivision located in your existing service territory and that is already being serviced by Hydro One Networks. The proposed amendment will allow the Developer to make a service agreement for this subdivision with one Distribution Company.

We also support Hydro One to proceed with the service area amendment application without a hearing as all affected parties support the application.

Yours truly,

A handwritten signature in black ink, appearing to read 'Jeff Guilbeault', written in a cursive style.

J. T. Guilbeault, P.Eng.
Vice-President Electric Utility
jguilbeault@peterboroughutilities.ca
Phone: 705-748-9301 ext. 1244
Fax: 705-748-0120

RD Land Corp

October 27, 2011

Hydro One Networks Inc.
483 Bay Street,
North Tower, 14th Floor
Toronto, ON
M5G 2P5

Attention: Ms. Jayde Kinderman
Account Executive
Customer Business Relations

Re: Raymond Street Subdivision, Phase II
City of Peterborough
Project No. 08-D-4174

Dear Jayde,

We are providing Hydro One with this letter of consent to confirm that RD Land Corp wish to receive electricity services from Hydro One for 340 Simons Avenue for the specific Lots 5, 6 & 7 plus Blocks 53, 54 & 64 in the Raymond Street Subdivision, Phase II.

We also support Hydro One to proceed with the service area amendment without a hearing.

We are available to discuss this project at your convenience.

Yours truly,

R.D. LAND CORP

Murray J. Davenport
President