By Email

PRIVILEGED & CONFIDENTIAL

May 16, 2012

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

Dear Ms. Walli:

Re: Orangeville Hydro Limited – Application for Service Area Amendment Board File Number EB-2012-0181

We act for Orangeville Hydro Limited ("OHL") in respect of the above referenced-matter.

Further to our submission on May 10th, the purpose of this letter twofold (all of which is respectfully submitted):

1) We request that the Board expedite the hearing timelines in this matter to accommodate the developer's planned timing for the proposed subdivision that is the subject of the service area amendment ("SAA") in the above-described application (the "Application"). The developer, Thomasfield Homes Limited ("Thomasfield") wishes to commence installation of electrical facilities in September 2012 with a connection date of December 2012. Accordingly, we ask that the Board accelerate the typical timing for a contested SAA written hearing to allow for a decision to be issued in September 2012.

While we admit that the timing concerns stem in part to Thomasfield's failure to request an offer to connect from Hydro One Networks Inc. ("Hydro One") in a timely manner, we submit that they were unaware of this requirement. In addition, Thomasfield was hesitant to request an offer to connect from Hydro One based on previous negative experiences (as detailed in their letter of support accompanying the Application). In requesting an expedited hearing, we submit that Thomasfield, and the economic development represented by their proposed subdivision, should not be penalized for their lack of understanding of the regulatory rules requiring that Hydro One be given an opportunity to make an offer to connect.

We also submit that Hydro One shares some responsibility for the timing concerns discussed above. Pursuant to their conditions of service, Hydro One was required to provide Thomasfield with an offer to connect on March 6, 2012. However, it was not provided until on or about April 16. Hydro One has also previously indicated that they

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would notify us of their decision to contest or consent to the Application in a timely manner following the delivery of their offer to connect. To date, this has not occurred and we have not been provided date on which we can expect this decision.

In any event, we submit that Hydro One has been aware of the general nature of this situation since January 2012 and that they received a detailed summary of the Application on February 28, 2012. Accordingly, we submit that Hydro One should be in a position to deal with this hearing in a timely manner.

2) In the immediate term, we respectfully ask that the Board confirm our interpretation that there are no restrictions on Thomasfield accepting OHL's offer to connect and proceeding with its electrical design on June 4th. To be clear, Thomasfield will not be installing any electrical facilities on that date. Instead, Thomasfield needs to provide electrical plans to other service providers (e.g. roadways, grading, gas, telecommunications) on that date for the purpose of proceeding with the development of the proposed subdivision. In other words, the proposed subdivision will be planned and constructed based on OHL's electrical designs. Thomasfield is prepared to accept the risk and cost of having to retrofit any work previously done in the event that OHL's SAA Application is denied and it must proceed with Hydro One's offer to connect. Even with these additional retrofit costs, Thomasfield's opinion is that OHL's connection proposal is still less expensive and a better option than Hydro One's.

As described on pages 2-3 of the Application, we have submitted that OHL and Hydro One are both incumbent distributors as defined in the Board's *Filing Requirements for Service Area Amendments, Chapter 7 of the Filing Requirements for Transmission and Distribution Application.* Therefore, we submit that Thomasfield has as much right to proceed with OHL's electrical plans as it does with Hydro One's. Accordingly, we are looking to the Board to (i) confirm the above interpretation and (ii) indicate whether there are any restrictions from proceeding in this manner. In the absence of a response from the Board, we will assume that there are no issues with our interpretation and Thomasfield will proceed as described above on June 4th.

In the event that the Board indicates that Thomasfield is not able to proceed with OHL's electrical plans on June 4th, we assume that Thomasfield will also be restricted from proceeding with Hydro One's electrical plans given the fact that both distributors are incumbents. If this is the case, we will be looking for additional direction from the Board regarding the manner in which Thomasfield may proceed with developing the proposed subdivision in a timely manner.

Yours very truly,

Andrew Skalski, Hydro One Networks Inc. Paul Heitshu, Thomasfield Homes Limited George Dick, Orangeville Hydro Limited