



Hamilton-Wentworth Catholic Schools
150 years of 'Believing, Achieving, Serving'

December 18, 2012

**VIA EMAIL (tammy.o'sullivan@hydroone.com)
& REGULAR MAIL**

Tammy O'Sullivan
Manager, Program Integration
Distribution Business Development
Hydro One Networks Inc.
185 Clegge Road
Markham, ON L6G 1B7

Dear Ms. O'Sullivan:

The Hamilton-Wentworth Catholic District School Board is in receipt of the **second 'Offer to Connect'** submitted by Hydro One concerning the new **Bishop Ryan Catholic Secondary School, 1824 Rymal Road East, Hamilton, Ontario**. (Please see Bishop Ryan Electricity Charges attached.)

The Board has submitted this proposal to our Electrical Engineer, Mr. Steven Swing of NRG Consultants, who has done a comparative evaluation of costs for this proposed offer to connect developed by Horizon Utilities*.

Following is an executive summary of costs related to service connection and estimated energy consumption costs for each utility at Bishop Ryan:

1. Horizon Utilities Corp (HUC):
 - a) Offer to Connect (OTC) \$63,737.63
 - b) Transformer & primary cables included in OTC
 - c) Yearly transformer maintenance no charge (by HUC)
 - d) Estimated yearly energy cost \$300,230.00

2. Hydro One (H1)
 - a) Layout & Contract (L&C) \$5,219.85
 - b) Transformer & primary cables \$129,821.00
 - c) Yearly transformer maintenance \$6,250.00 (Board to provide)
 - d) Estimated yearly energy cost \$304,182.00

Note: The Board will own the 1500kVA transformer and HV cables without spare or backup parts. A replacement transformer could have up to a 16 week delivery should a failure occur.

*These costs do not reflect extra expense related to recalculation of various Hydro One proposals by Hamilton-Wentworth Catholic District School Board engineers.

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These numbers indicate that by accepting the Hydro One offer to connect, the Hamilton-Wentworth Catholic District School Board would experience an additional capital cost of \$71,303.25 and an extra operating cost of \$3,952.00 per year or \$118,560.00 in extra operating expense over a 30-year life span of the service.

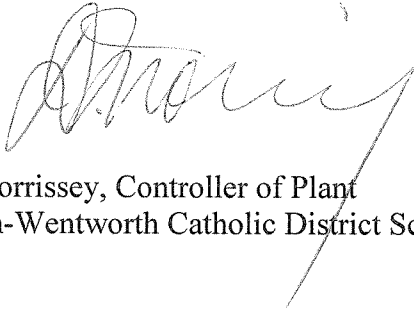
These calculations are predicated on Hydro One providing an ongoing sub transmission rate which has qualifying consumption requirements of 500 kw of demand for at least 5 consecutive months. Failure to reach this consumption level results in a return to a general service rate that would increase Board costs \$64,348 annually or \$1,930,440.00 over a 30-year service life. This is a severe disincentive to reducing energy consumption. The Board will constantly search for more energy efficient lighting and HVAC components. As technology improves, the Board does not wish to face a cost penalty for responsible improvement.

In addition, the Hamilton-Wentworth Catholic District School Board has concerns over the lack of timely response on this issue and ongoing problems regarding power quality in a nearby Board elementary facility serviced by Hydro One.

On the basis of these and other concerns, the Board respectfully declines the Hydro One offer to connect and would appreciate any efforts on your part to expedite the connection of the Bishop Ryan Catholic Secondary School to Horizon Utilities.

Thank you for your consideration in this matter.

Regards,



David Morrissey, Controller of Plant
Hamilton-Wentworth Catholic District School Board

DC:IC
Attachment-Bishop Ryan Electricity Charges

- cc: David DeNoble
Hydro One Networks Inc.
40 Olympic Drive
Dundas ON L9H 7P5
Fax: 905-627-6000
- cc: D. Duffie, Architect-Svedas Architects Inc. (dduffie@sk-arch.com)
S. Swing, NRG Consultants (steven@nrgconsultants.ca)
R. Drysdale, Manager-Physical Plant and Construction (dyrsdaler@hwcdsb.ca)
J. Shepherd, Canadian Energy Lawyers (jay.shepherd@canadianenergylawyers.com)