

Service Area Amendment Application

Guelph Hydro Electric Systems Inc.

May 28, 2013

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.

Rockwood Public School is a new development which lies along the service territory of Guelph Hydro Electric Systems Inc.

Hydro One Networks Inc. has assessed their potential to connect the customer and determined that it would be more cost effective for Guelph Hydro to do so, and has given their support for Guelph Hydro to proceed with filing a Service Area Amendment to allow for this connection.

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:

Guelph Hydro Electric Systems Inc.

Mike Pontes
Technical Services Supervisor
395 Southgate Drive
Guelph, ON N1H 1A7
Telephone: 519-837-4733
Fax: 519-822-4963
E-mail: mpontes@guelphhydro.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:

Hydro One Networks Inc.

Aarani Pathmanathan
Advisor, Program Integration
185 Clegg Road
Markham, ON L6G 1B7

Telephone: 905-946-6210
Fax: 905-946-6215
E-mail: aarani.pathmanathan@HydroOne.com

7.1.1 (c)

Provide the contact information for 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):

Upper Grand District School Board
c/o Jennifer Passy BES, MCIP, RPP
500 Victoria Road North
Guelph, ON N1E 6K2
Telephone: 519-822-4420 x 820
Email address: Jennifer.passey@ugdsb.on.ca

7.1.1 (d)

Provide the contact information for 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

- There are no alternate distributors.

7.1.1 (e)

Provide the contact information for any representative of the persons listed above, including, but not limited to, a legal representative

- Not applicable

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.

Customer could not be serviced by Hydro One hence Guelph Hydro servicing the customer.

- Hydro One's customer, the proposed Rockwood School located at Part of Southwest Half of Lot #3, Concession 4, Township of Eramosa as shown in Attachment 1, requires three phase power. The school site is approximately 650 meters east from Hydro One's three phase distribution pole line on Wellington Rd #44 (Guelph Line). In order for Hydro One to service the new school, they would be required to build a new pole line east of

Wellington Rd #44 across the existing customer's farm land over to the proposed school site on MacLennan Street, Rockwood. An estimated cost for this work would be approximately \$400,000. Since Guelph Hydro has existing facilities close by it would not be cost effective for Hydro One to incur significant capital costs to build duplicate facilities, nor would it be sensible for the affected customer to bear these capital costs. Hydro One will transfer the new school building property to Guelph Hydro and Guelph Hydro will amend its distribution licence to include service to the school as noted in section 7.1.3 (b).

- No load transfers created or removed.

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 land subject to this SAA is a school located on MacLennan Street in Rockwood. The legal property description is **Part of Southwest Half of Lot #3, Concession 4, Township of Eramosa.**

(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.

Guelph Hydro Electric Systems Inc. (ED-2002-0565)

SCHEDULE 1: DEFINITION OF SERVICE AREA

Customers located in the following areas of the Township of Guelph/Eramosa:

- Rockwood Public School. A civic address has not been assigned for this location.

7.1.4 Provide maps/diagrams of the area that is the subject of the SAA application

7.1.4 (a)	<i>Borders of the applicant's service area</i>	See Attachment 1 - Map
7.1.4 (b)	<i>Borders of the incumbent distributor's service area</i>	
7.1.4 (c)	<i>Borders of any alternate distributor's service area</i>	
7.1.4 (d)	<i>Territory surrounding the area for which the applicant is making SAA application</i>	
7.1.4 (e)	<i>Geographical and geophysical features of the area including, rivers and lakes, property borders, roads, and major public facilities</i>	

7.1.4 (f)	<i>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).</i>
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Guelph Hydro has an existing underground distribution system in the vicinity of the proposed new school property. Guelph Hydro will also install new distribution equipment/system for future expansion.

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).

Individual commercial customer – service for new public school

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 enable the connection to the new public school. The new service will be serviced from a new 150KVA pad mount transformer which will be tied into a new pad mount switch that is required to service the site and possible future growth.

- Hydro One's existing three phase distribution line runs along Wellington Rd #44 (Guelph Line). In order for Hydro One to service the new school, they would be required to build a new pole line east of Wellington Rd #44 across the existing customer's farm land over to the proposed school site on MacLennan Street, Rockwood. An estimated cost for this work would be approximately \$400,000. Other than this connection there are no other requirements for Hydro One to extend the three phase distribution pole line.

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. The comparison must include the following:

7.2.1 (a)

Location of the point of delivery and the point of connection

- See Attachment 1 - Map
- Proposed new pad switch located within an easement on the school board's property, north east corner. The pad switch would then service a new 150KVA pad mount for the school's main electrical service.

7.2.1 (b)

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

- MacLennan Street @ May Street , Rockwood.

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

- There is no feasible cost-effective supply option for Hydro One to feed the new school site. If Hydro One was to construct facilities to connect the school, the estimated cost would be approximately \$400,000.

7.2.1 (d)

The amount of any capital contribution required from the customer

- The customer will be charged a capital contribution of approximately \$35,000 plus HST.

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

- Not applicable

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 Section 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.

- There are no impacts.

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 are no impacts.

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 detailed description of the service area territory in Section 7.1.3.
- See Attachment 1 – Map

7.3.5

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

- This SAA will not strand any assets nor will any assets become redundant.

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.

- Not Applicable

7.3.7

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

- See Section 7.1.3

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.

- Not Applicable

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 – Customer Letter

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 – Customer Letter
- See Attachment 3 – Evidence of Communications and Consultations

7.3.12

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

- See Attachment 2 – Customer Letter

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 – Customer Letter

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.*

Yes, Guelph Hydro requests that the Board proceed with this application without a hearing.

- (a) No person will be adversely affected if the Board approves this application. Connecting this customer to the Guelph Hydro distribution system is the most economical, cost efficient connection for the customer. Hydro One does not have the existing infrastructure readily available to connect the customer.
- (b) Hydro One has provided consent in support of this application, as indicated in Attachment 3 – Evidence of Communication and Consultation.



Mike Pontes
Technical Services Supervisor
Guelph Hydro Electric Systems Inc.

Dated: MAY 28/13

7.8 CERTIFICATION AND ACKNOWLEDGMENT STATEMENT

I certify that the information contained in this application and in the documents provided are true and accurate to my best knowledge.



Mike Pontes
Technical Services Supervisor
Guelph Hydro Electric Systems Inc.

Dated: MAY 28/13

ATTACHMENT 1: Map

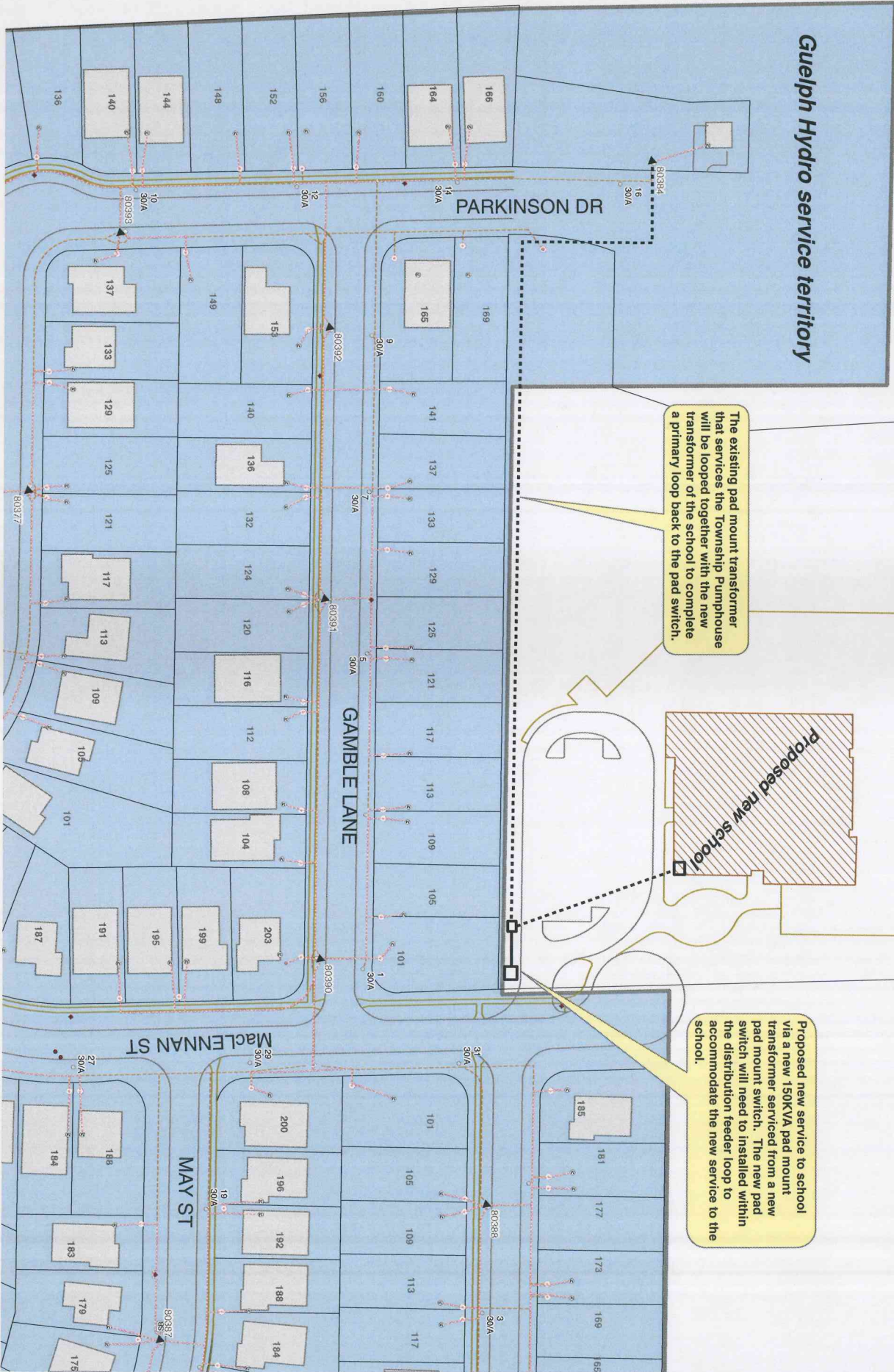
Proposed new School Site – MacLennan Street, Rockwood

Guelph Hydro service territory

Hydro One service territory

The existing pad mount transformer that services the Township Pumphouse will be looped together with the new transformer of the school to complete a primary loop back to the pad switch.

Proposed new service to school via a new 150KVA pad mount transformer serviced from a new pad mount switch. The new pad switch will need to be installed within the distribution feeder loop to accommodate the new service to the school.



ATTACHMENT 2: Customer Letter

Letter and Site Plan from Upper Grand District School Board



UPPER GRAND DISTRICT SCHOOL BOARD

Jennifer Passy BES, MCIP, RPP

Manager of Planning

Board Office: 500 Victoria Road N. Guelph, ON N1E 6K2

Email: Jennifer.passy@ugdsb.on.ca

Tel: 519-822-4420 ext. 820 or Toll Free: 1-800-321-4025

May 23, 2013

PLN: 13-21

File Code: R14

Guelph Hydro Electric Systems Inc.
395 Southgate Drive
Guelph, ON N1G 4Y1

Attention: Mike Pontes, C.E.T.
Technical Services Supervisor

Re: Proposed New Rockwood School Site

Dear Mike,

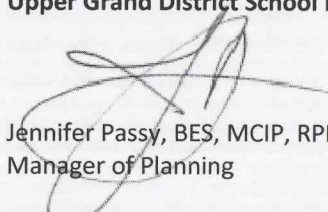
In response to the Township's circulation of ZBA 01/13, we were provided with a copy of the Guelph Hydro response dated January 29, 2013. The response provided advised that the subject property lies just outside your service area, but on the border with Hydro One. It is our understanding that while Hydro One has first rights for servicing the property, they may not be able to do so easily or cost effectively based on the absence of plant in the immediate area. As such, we would ask that Guelph Hydro agree to service the subject property from their existing plant in the adjoining subdivision.

Further to your email of May 23, 2013 I have enclosed a sketch of the property (Parts 1 & 2) which is currently subject to an Official Plan Amendment, Zoning By-Law Amendment and Consent application. As the 6 acre lot (Part 1 on the enclosed) and possible future extension of MacLennan Street (Part 2) have not yet been severed from the balance of the farm parcel, the legal description is Part of Southwest Half of Lot 3, Concession 4, Geographic Township of Eramosa. I expect that at the appropriate time the civic address will be assigned from MacLennan Street. Also enclosed for your information is a preliminary site plan. This plan is for discussion purposes only and subject to change as a plan has yet to be formally filed with the Township.

At this time, I would ask that all correspondence be directed to the undersigned. When the building phase of the project commences John Charbonneau will become your primary contact.

Sincerely,

Upper Grand District School Board


Jennifer Passy, BES, MCIP, RPP
Manager of Planning

Attach.

cc: John Charbonneau, UGDSB

Upper Grand District School Board

• Mark Bailey; Chair
• Marty Fairbairn; Vice-Chair

• Linda Busuttil
• Kathryn Cooper

• R.J. (Bob) Borden
• David Gohn

• Susan Moziar
• Bruce Schieck

• Lynn Topping
• Jennifer Waterston

ATTACHMENT 3: Evidence of Communications & Consultations

Email Communication with Hydro One Networks Inc.

From: <arthur.fischer@HydroOne.com>
To: <mwittmund@guelphhydro.com>
Cc: <mpontes@guelphhydro.com>, <kmarouf@guelphhydro.com>, <Aarani.Pathmanathan@HydroOne.com>, <john.boldt@HydroOne.com>
Date: 05/21/2013 09:43 AM
Subject: FW: Guelph SAA - Rockford School...APPROVED to Proceed with SAA

Hi Mike ... I hope you had a great long weekend.

I'm following up on my v-message from last Thursday regarding the Rockwood PS connection. After assessing the potential for H1 to connect the new Rockwood Public School, it's been determined that it would be more cost effective for GHESI to connect the school as a new GHESI customer. This is to confirm, that H1 would support GHESI filing a Service Area Amendment (SAA) to connect the Rockwood PS.

For the transfer, Aarani Pathmanathan can work directly with your Regulatory person to get the SAA underway. Please feel free to pass on Aarani's contact information.

Aarani Pathmanathan

Advisor, Program Integration
Hydro One Networks Inc.
Dx Asset Management
185 Clegg Rd.
Markham, Ontario | L6G 1B7
Tel: 905.946.6210
Fax: 905.946.6215
Email: aaarani.pathmanathan@hydroone.com

I could also arrange a conference call to go over the connection if you think that would be beneficial. Let me know.

Best regards, Arthur
416-345-5970

From: BOLDT John
Sent: Friday, May 17, 2013 10:31 AM
To: FISCHER Arthur
Cc: GUO Helen; WINCOTT William; MALDONADO Denise; GARZOUZI Lyla; LEE Charlie; RUSSELL Carolyn; CATALANO Pasquale; HALL James; PATHMANATHAN Aarani; YORGIADIS Angela
Subject: FW: Guelph SAA - Rockford School...APPROVED to Proceed with SAA

Arthur,

Can you please inform Guelph to proceed with the SAA application. They are feeding this as a lies along and HONI cannot contest based on price to service. Have them proceed and then contact Aarani Pathmanathan for review of the application. Once I see the application we'll have Regulatory prepare a support letter.

Thanks and have a good weekend.

John