



P.O. Box 397, Stratford, Ontario N5A 6T5

187 Erie Street, Stratford
Telephone: 519-271-4700
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www.festivalhydro.com

BY EMAIL AND COURIER

July 30, 2013

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

Dear Ms. Walli:

Re: Service Area Amendment between Festival Hydro Inc. and Hydro One Networks Inc.

Festival Hydro Inc. (Festival) respectfully submits the enclosed documentation in support of a Service Area Amendment. Given that the proposed amendment concerns property that is embedded in Festival's existing Service Area, and that the incumbent distributor, Hydro One Networks Inc. (Hydro One) is in support of this amendment, we ask that the Board dispose of this proceeding without a hearing in accordance to the provisions in Section 21 (4) (b) in the *Ontario Energy Board Act*.

The parcel of land in question is presently included in Hydro One's defined service area, but is completely surrounded by Festival's Service Area.

Festival proposes to amend Schedule 1 of Electricity Distribution Licence ED-2002-0513 Festival Hydro Inc. to add the following:

15. Part of Lots 3 & 4, Concession 2, (Geographic Township of Ellice), Registered Plan No. 11, City of Stratford, County of Perth

Upon approval of this application, Hydro One's Distribution Licence would not need to be amended.

Contact information for all parties is included in the Application, found at Exhibit A, Tab 1.

Sincerely,
FESTIVAL HYDRO INC.

Jac Vanderbaan, P.Eng., CMA
Chief Operating Officer

Enclosures

Cc:	Doug Fraser (Hydro One)	Pasquale Catalano (Hydro One)
	Angela Yorgiadis (Hydro One)	John Boldt (Hydro One)

**Service Area Amendment Application
Festival Hydro Inc.
&
Hydro One Networks Inc.**

Preamble:

Festival Hydro Inc. ("Festival") is submitting the pre-filed evidence herein in support of its application for an amendment to the distribution license ED-2002-0513 to the service area description. This information has been prepared following the Ontario Energy Board's "Filing Requirements for Service Area Amendment Applications" (the "Guide") dated March 12, 2007 and generally follows the format of the Guide in the presentation of the evidence. Since the Property in question is completely surrounded by existing Festival Hydro Service Area, and with Hydro One's consent of this Application, this Application has been condensed to include only relevant details.

General Information:

Applicant:	Festival Hydro Inc. ED-2002-0513
Incumbent Distributor:	Hydro One Networks Inc.
Affected Parties:	Customer Representative – Caroline Baker, GSP Group (representing Northwest Stratford (2009))

Alternate Distributors:	None
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Contact Information:

Applicant

Festival Hydro Inc.
187 Erie Street
PO Box 397
Stratford, ON
N5A 6T5

Bill Zehr, CGA
President & CEO
Tel 519-271-4703 extension 243
Fax 519-271-7204
bzehr@festivalhydro.com

Jac Vanderbaan, P.Eng., CMA
Chief Operating Officer
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vanderj@festivalhydro.com

Legal Counsel for Festival Hydro

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M5J 2T9
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Tel: (416) 865-4703
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Incumbent Distributor

Hydro One Networks Inc.

Pasquale Catalano
Regulatory Analyst, Regulatory Affairs
Phone: 416-345-5405
Fax: 416-345-5866
E-mail: regulatory@hydroone.com
483 Bay Street
South Tower, 8th floor
Toronto, ON, M5G 2P5

Customer/Landowner

GSP Group

Caroline Baker
Senior Planner
Tel 519-569-8883 x232
cbaker@gspgroup.ca
201-72 Victoria Street South
Kitchener, ON N2G 4Y9

Reasons for Amendment:

The proposed amendment is requested as Festival's licensed service area does not include the Property but completely surrounds the Property. The Property was specifically excluded from a previous Service Area Amendment – EB-2012-0204 – which was granted by the OEB in 2012 and which was an Application for which Festival had Hydro One's consent. There were no specific development plans for the Property in 2012 but the Developer has since decided to proceed with a residential subdivision on the Property and the City of Stratford has approved a Draft Plan of Subdivision. A map of the Property showing the proposed road extensions, lots, and adjacent properties may be found at Exhibit A, Tab 1, Appendix A. The Property is located within an area of land that was annexed by the City of Stratford in 2007. The proposed amendment is consistent with the objective of a rational and efficient service area alignment based on both economic and engineering efficiency and is the environmentally preferred option.

Festival has or will have infrastructure in close proximity to the subject Property that can provide the required electrical service for this Property with minimal investment. The subject Property is the continuation of the residential subdivision that was started in 2012 with the granting of the Service Area Amendment through EB-2012-0204, an application which was also supported by Hydro One. The electrical infrastructure that is being installed for the first phase of the residential subdivision can accommodate the anticipated load within the subject Property.

The incumbent distributor (Hydro One) has infrastructure in relatively close proximity to the Property but it is expected that Hydro One (or the Customer) would need to obtain an easement from Festival to access this Property, creating an island of customers embedded within Festival's Service Area. For this reason, Hydro One is granting consent of the Application, which is outlined in their letter to Festival included in Exhibit A, Tab 1, Appendix B. With Hydro One's consent, an economic comparison of the supply options was not considered necessary.

Festival currently provides service to the properties adjacent to the subject Property that are within the City of Stratford.

Description of Proposed Service Area:

The Property consists of approximately 4.22 hectares of soon to be developed land annexed by the City of Stratford in 2007, and abutting properties currently within Festival's service area. The legal description of the land is as follows:

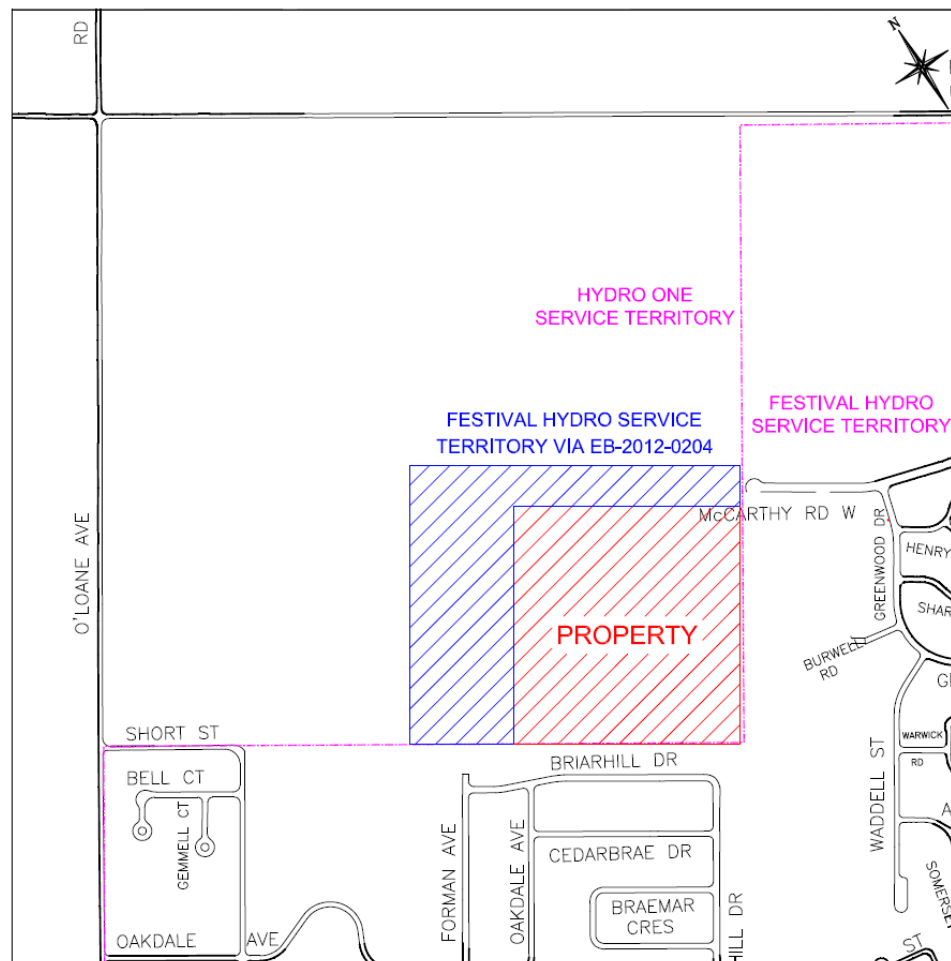
Part of Lots 3 & 4, Concession 2 (Geographic Township of Ellice),
Registered Plan No. 11, City of Stratford, County of Perth

The Property will be accessed and serviced from existing circuits located on Forman Avenue, which will be extensions of the circuits provided for the development supplied under a previous Service Area Amendment (EB-2012-0204).

The Property is zoned Residential and the proposed development will consist of 44 residential lots.

Area Maps

Below is a Key Map showing the location of the Property relative to the existing boundaries between Festival and Hydro One.



The drawing in Exhibit A, Tab 1, Appendix A shows the boundaries of the Property for which Festival is making this application (the part numbers refer to the legal description).

For clarity, this application is limited to the lands outlined in red in the sketch above, and more specifically outlined in the Draft Plan of Subdivision in Appendix A. The lands north of McCarthy Road are “Additional Lands Owned by Applicant” on the Draft Plan of Subdivision will remain Hydro One service area.

Distribution Infrastructure In and Around the Proposed Amendment Area

The amendment area will have a residential subdivision consisting of 44 lots. Festival has or will have 27,600 V. circuits on Forman Ave., and will supply the subdivision via a radial circuit.

The landowner owns additional vacant land north of the development, however at this time has no development plan or plan of subdivision for such property.

Efficient Rationalization of the Distribution System

The proposed Service Area Amendment will optimize the use of Festival’s existing infrastructure.

Description of Impacts

Affected Customers or Landowners:

The only directly affected customer is the developer identified as Northwest Stratford (2009).

Impacts on Costs, Rates, Service Quality and Reliability for Area Customers:

Festival

Cost – impact is negligible since primarily existing infrastructure will be utilized.

Rates – a favourable impact is expected as the utilization of existing infrastructure will be greater and gross revenue will increase.

Service Quality – no impact to service quality as the Application represents only a small group of residential customers to be connected to an existing feeder.

Reliability – no impact to system reliability.

Impacts on Customers Outside the Area:

This Service Area Amendment application is not expected to have any impacts on customers outside of the immediate area.

Impacts on Each Distributor:

Festival will see a marginal increase in asset base and an increase in revenue, with minimal impacts to operating and administrative costs.

Hydro One is not expected to be significantly impacted by this Service Area Amendment application since it affects none of their existing infrastructure or customers. Hydro One will see a slight load increase on its feeders to Festival.

Assets Stranded or Redundant: No assets will be stranded or made redundant.

Assets Transferred: No assets will be transferred.

Customers Transferred: No customers will be transferred.

Load Transfers or Retail Points Eliminated: None.

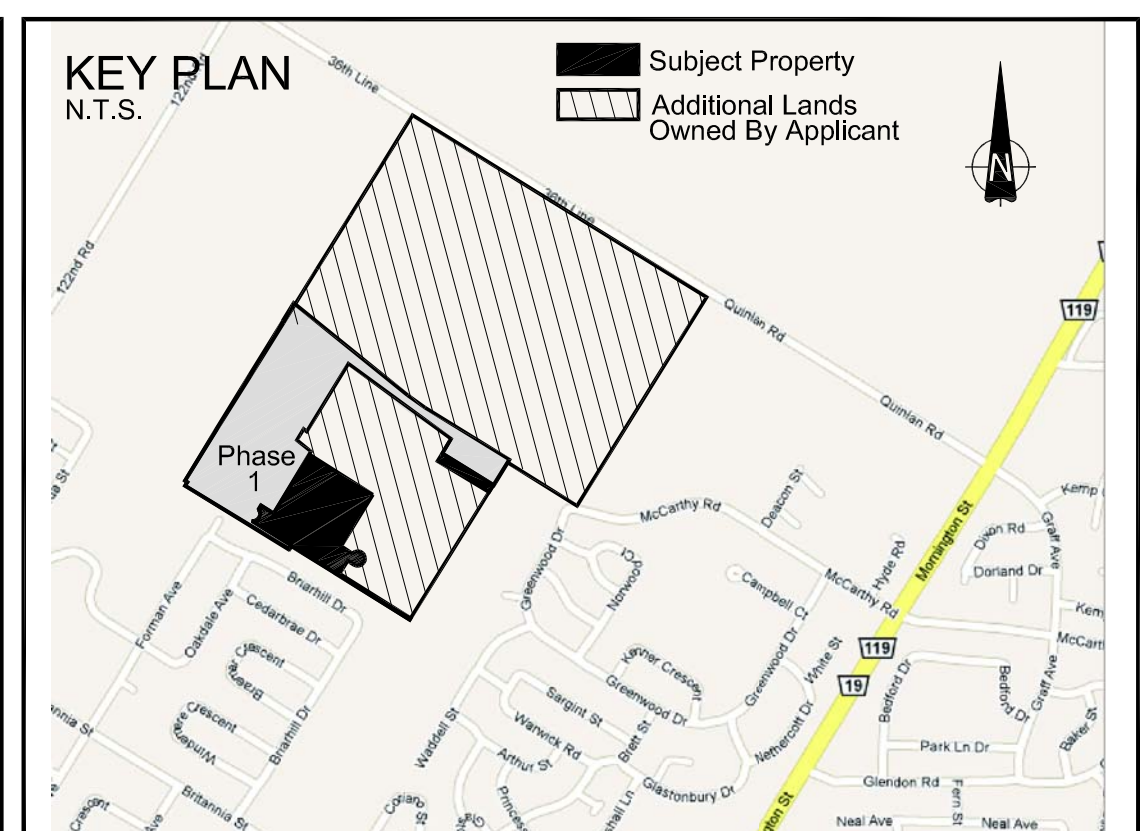
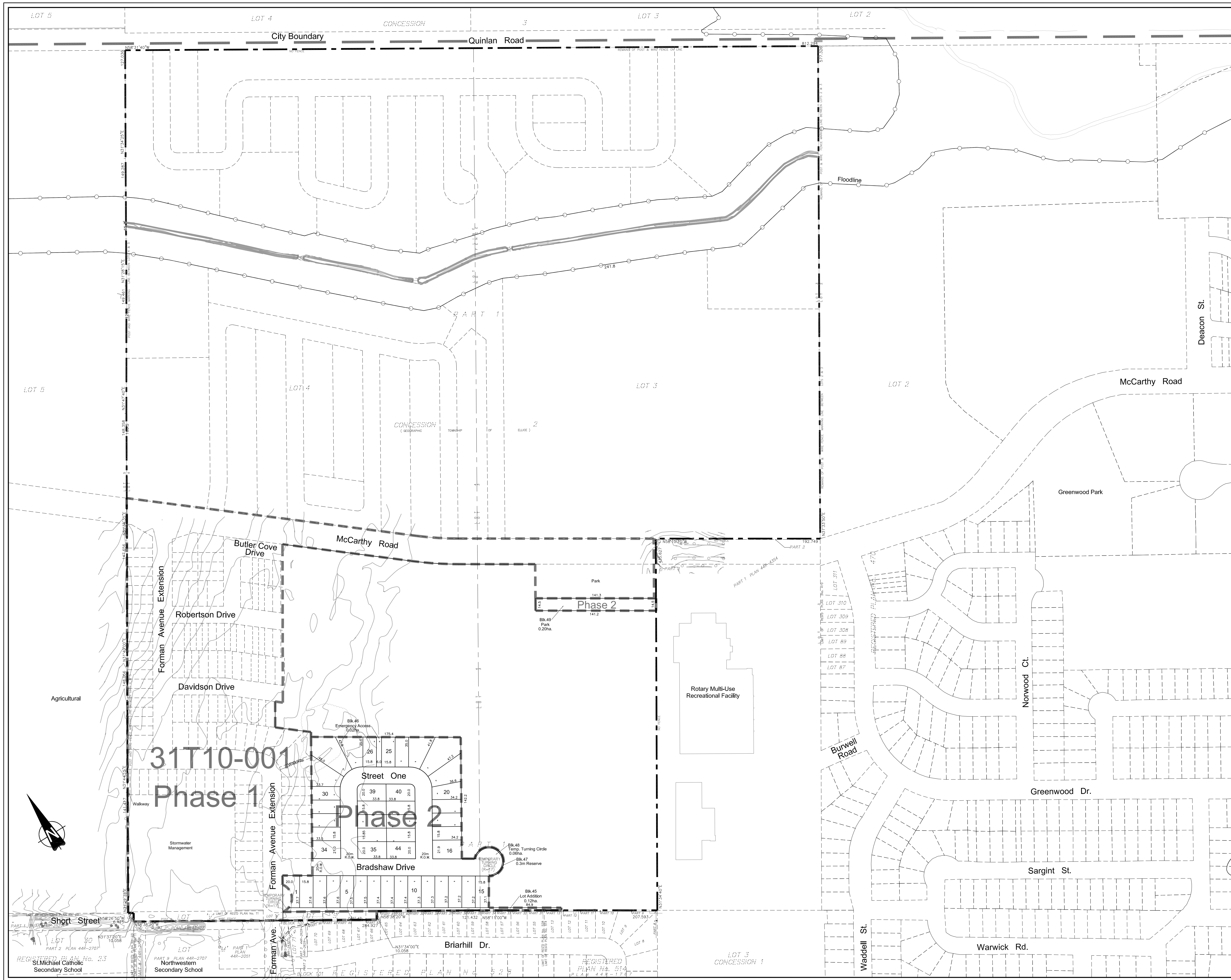
New Load Transfers or Retail Points: None.

Additional Information for Contested Applications

This application is not being contested by any affected party.

APPENDIX A

MAP OF THE PROPERTY



DRAFT PLAN OF SUBDIVISION

Phase 2

Part of lots 3 & 4
Concession 2
(Geographic Township Of Ellice)
Registered Plan No.11
City of Stratford
County of Perth

PHASE 2	LOTS/BLKS.	UNITS	AREA (ha.)
Single-Detached Residential	1-44	44	2.76
Lot Addition	45		0.12
Emergency Access	46		0.02
0.3m Reserve	47		0.00
Temporary Turning Circle	48		0.06
Park	49		0.20
Roads			1.06
TOTAL		44	4.22

ADDITIONAL INFORMATION
(UNDER SECTION 51(17) OF THE PLANNING ACT)

INFORMATION REQUIRED BY CLAUSES a,b,c,d,e,f,g,j and l ARE AS SHOWN ON DRAFT PLAN.

h) Municipal water supply
i) Clay loam
k) All municipal services as required

OWNER'S CERTIFICATE
I AUTHORIZE THE GSP GROUP INC. TO PREPARE AND SUBMIT THIS DRAFT PLAN OF SUBDIVISION TO THE CORPORATION OF THE CITY OF STRATFORD.

[Signature] October 22, 2012
NORTHWEST STRATFORD (2009) DEVELOPMENTS DATE

SURVEYOR'S CERTIFICATE
I CERTIFY THAT THE BOUNDARIES OF THE LAND TO BE SUBDIVIDED AND THEIR RELATIONSHIP TO THE ADJACENT LANDS ARE CORRECTLY SHOWN.

[Signature] October 22, 2012
JEREMY C.E. MATTHEWS, O.L.S. DATE

201-732 Victoria Street South T 519 569 8883
Kitchener, Ontario N3G 4Y9 F 519 569 8843
www.gspgroup.ca

REVISIONS
December 17, 2012
January 29, 2013

Date: November 20, 2012 Drawn By: S.L./J.B.
Scale: 1:1500 metric Project No.: 8004.40

APPENDIX B

LETTER FROM HYDRO ONE TO FESTIVAL

Hydro One Networks Inc.

8th Floor, South Tower
483 Bay Street
Toronto, Ontario M5G 2P5
www.HydroOne.com

Tel: (416) 345-5707
Fax: (416) 345-5866
Andrew.skalski@HydroOne.com

Andrew Skalski

Director – Major Projects and Partnerships
Regulatory Affairs



BY COURIER

July 23, 2013

Bill Zehr
President and CEO
Festival Hydro Inc.
187 Eric Street, P.O. Box 397
Stratford, ON
N5A 6T5

Dear Mr. Zehr:

**Festival Hydro Inc. Application for a Service Area Amendment --
Hydro One Networks' Letter of Consent**

This is to confirm that Hydro One Networks Inc. ("Hydro One") supports your application to amend Festival Hydro Inc.'s ("FHI") Distribution Licence as proposed in FHI's service area amendment application to include the property with the legal description Part of Lots 3 & 4, Concession 2 (Geographic Township of Ellice), Registered Plan No. 11, City of Stratford, County of Perth. Also, Hydro One supports FHI's request to proceed with this service area amendment without a hearing.

Sincerely,

A handwritten signature in black ink, appearing to be "A. Skalski", written over a horizontal line.

For
Andrew Skalski