



CENTRE WELLINGTON HYDRO LTD.
730 Gartshore St., P.O. Box 217, Fergus, Ontario N1M 2W8
PHONE: (519) 843-2900 FAX: (519) 843-7601

October 1, 2013

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

Dear Ms. Walli:

Re: Centre Wellington Hydro Ltd. Service Area Amendment Application

Please find accompanying this letter Centre Wellington Hydro's application for a Service Area Amendment. The application is a proposed amendment to Schedule 1 of Centre Wellington Hydro's Electricity Distribution Licence ED-2002-0498, and it is filed in accordance with the Ontario Energy Board's Filing Requirements for SAA issued on March 12, 2007.

Should there be any questions, please contact me.

Respectfully submitted,

Original signed by Wayne Dyce

Wayne Dyce
VP/Operations Manager
Centre Wellington Hydro Ltd.
PO Box 217,
730 Gartshore St,
Fergus ON, N1M 1W8
Ph: 519-843-2900
Email: dyce@cwhydro.ca



Service Area Amendment Application

**Centre Wellington Hydro Ltd.
ED-2002-0498**

October 1, 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.

Centre Wellington Hydro Ltd. (“CWH”) currently services through its distribution system the Township of Centre Wellington, Elora Waste Water Treatment Plant. The facility is located at 6510 Wellington Rd. 7 in the Township of Centre Wellington and is currently in Hydro One Networks Inc.’s (“HONI”) service territory.

The purpose of this Service Area Amendment (“SAA”) is to clean up the service boundaries between CWH and HONI to ensure that both parties are compliant to their respective licences.

HONI has given its support for CWH to proceed with filing this SAA that will incorporate the Elora Waste Water Treatment land into CWH’s service territory.

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:

Centre Wellington Hydro Ltd.

Wayne Dyce
VP/Operations Manager
730 Gartshore St. P.O. Box 217
Fergus, ON N1M 2W8
Telephone: 519-843-2900
Fax: 519-843-7601
E-mail: dyce@cwhydro.ca

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.

Pasquale Catalano
Regulatory Coordinator, Regulatory Affairs
483 Bay Street, 8th Floor, South Tower
Toronto, ON M5G 2P5
Telephone: 416-345-5405
Fax: 416-345-5866
Email: regulatory@HydroOne.com

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:

Township of Centre Wellington

Brett Salmon

Director of Planning

1 MacDonald Square

Elora, ON N0B 1S0

Telephone: 519-846-9191

E-mail: BSalmon@centrewellington.ca

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

There are no alternate distributors.

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.

This customer is currently in HONI service territory being serviced by CWH. In order to be compliant with both parties' licences, HONI would either have to establish a new Long Term Load Transfer ("LTLT") connection or build out to service the customer. This is not an economically efficient option because it would duplicate already existing facilities. Since CWH is already servicing this customer, it would be in the best interests of the customer and both distributors to include this customer in CWH's licence.

7.1.3 DESCRIPTION OF PROPOSED SERVICE AREA

(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 lands subject to this SAA are owned and used for an individual customer. The civic address is 6510 Wellington Rd. 7, Centre Wellington Township. The Legal description is PT LT BROKEN FRONT CON 1 EAST OF GRAND RIVER PILKINGTON AS IN MS23746; CENTRE WELLINGTON.

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

See attachment 1- Map of land subject to this SAA.

The land should be added to CWH's electricity distribution licence Schedule 1 as per bullet 5 below.

**Centre Wellington Hydro Ltd.
Electricity Distribution Licence ED-2002-0498**

SCHEDULE 1: DEFINITION OF DISTRIBUTION SERVICE AREA

This Schedule specifies the area in which the Licensee is authorized to distribute and sell electricity in accordance with paragraph 8.1 of this Licence.

1. The former Town of Fergus as of December 31, 1998, now in the Township of Centre Wellington.
2. The former Village of Elora as of December 31, 1998, now in the Township of Centre Wellington.
3. Plan 61R9227, Part of Lot 14, Concession 2 of the former Township of Nichol, now within the Township of Centre Wellington and having municipal address of 950 Scotland Street.
4. 6497 Beatty Line North, Con 15, PT Lot 20 Plan 71 PT, Park Lots 14, 16 & 18 Desc Inc.RP 61R5701 Part 3 47.42 AC in the former Township of Nichol.
5. **6510 Wellington Rd 7, Centre Wellington Township. Legal description, PT LT BROKEN FRONT CON 1 EAST OF GRAND RIVER PILKINGTON AS IN MS23746; CENTRE WELLINGTON.**

The proposed amendment would have no impact on HONI's distribution licence as HONI's licenced service areas in the Township of Centre Wellington include all areas except the areas served by CWH.

Hydro One Networks Inc.
Electricity Distribution Licence ED-2003-0043

**SCHEDULE 1: DEFINITION OF DISTRIBUTION SERVICE AREA
APPENDIX B – TAB 4**

Name of Municipality: Township of Centre Wellington

Formerly Known As: Town of Fergus, Village of Elora, Township of West Garafraxa, Township of Nichol, Township of Pilkington, as at December 31, 1998.

Area Not Served by Networks: The area served by CWH described as the former Town of Fergus and the former Village of Elora as more particularly set out in Licence No. ED-2002-0498.

Network Assets within area not served by Networks: Yes

Customer(s) within Area not served by Networks: No

No change is required to HONI's licence

7.1.4

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

See attachment 1

7.1.4 (a)

Borders of the applicant's service area

See attachment 2

7.1.4 (b)

Borders of the incumbent distributor's service area

HONI's distribution area surrounds CWH's Service Territory in Elora. See attachment 2.

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

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

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)

CWH proposes to rebuild a short section of an existing pole line to accommodate a 44 kV circuit to feed the expanding Waste Water Treatment Plant. The pole line will also accommodate a HONI distribution circuit through our joint use agreement that will allow HONI to connect three of their residential customers currently serviced by CWH through a LTLT arrangement. This will eliminate existing LTLTs.

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 Industrial Customer Electrical service upgrade.

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.

CWH currently services the customer's existing facility from its distribution system. The customer requires a 44 kV feed which will be connected at a point inside of the wholesale metering points of CWH's embedded Distribution system. Adding the land to CWH's service territory will eliminate the need for a new LTLT.

There will be no contributed capital required from the customer for the pole line rebuild as determined by CWH's Economic Evaluation.

Further economic efficiencies may be realized as a future development approximately two spans North of the Lands in this SAA on the other side of the road within CWH's service territory may require a 44 kV connection. The developer currently has a renewable energy (hydraulic) application submitted and the size would require a 44 kV connection.

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)

Not applicable

Location of the point of delivery and the point of connection

See attachment 1

7.2.1 (b)

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

The point of connection, which is the same as the customer's existing point of connection, is in CWH's existing well-developed distribution system along Wellington Rd 7. Approximately 325 meters of the pole line will be rebuilt to add a 44 kV circuit.

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).*

There are no capital contributions required from the customer to rebuild the existing pole line and extend the 44 kV circuit as determined through CWH's Economic Evaluation.

7.2.1 (d)

The amount of any capital contribution required from the customer

The customer is not required to contribute any capital expenses.

7.2.1 (e)

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

There will be no stranded equipment or assets associated with the project.

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 pole line rebuild and 44 kV circuit extension enhances the distribution system by replacing aging poles and equipment effectively increasing the reliability of CWH's system as well as HONI's.

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

A developer within CWH's service territory has an application submitted to the OPA for the construction of a 1 MW hydraulic generator on the Grand River in Elora. If the proponent is

successful in being awarded a contract, the generator will require a 44 kV connection. In rebuilding and extending the current 44 kV circuit to the Elora Wastewater Treatment Plant, it will bring the circuit to a closer proximity to the point of connection of the generator. The generation proponent will realize cost savings by not being solely responsible for distribution enhancements for the purpose of connecting the generator.

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.

As described in Sections 7.1.2, 7.2.1, 7.2.1 (f) and 7.2.1 (g) above, the pole line upgrade and 44 kV circuit extension will improve aging infrastructure, eliminate existing and new LTLTs, and more readily accommodate future connections in the adjacent area.

7.3 IMPACTS ARISING FROM THE PROPOSED AMENDMENT

Description of Impacts

7.3.1

Identify any affected customers or landowners.

No customers or landowners will be affected by the pole line upgrade as it will be situated in the same general area.

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 will be no negative impact on service quality or reliability or rates to customers in the area due to this SAA application. All customers will continue to be billed by their respective service provider (CWH and HONI) as they currently are.

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.

This SAA application which relates to an individual customer, and the associated system upgrades, will have no impact on customers or distributors outside the subject area.

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.

Both distributors involved with this application will be impacted positively by being able to service their respective customers through their own distribution systems without requiring

LTLT agreements.

7.3.5

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

There will be no stranded assets or redundancies if the proposed SAA is granted.

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.

No transfer of assets are proposed for this project.

7.3.7

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

Not applicable.

7.3.8

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

CWH's distribution system upgrade relating to this SAA will allow HONI to service directly from its wires three customers that are currently fed from CWH wires and are existing LTLT customers. They are as follows:

- 6516 Wellington Rd. 7, Centre Wellington
- 6512 Wellington Rd. 7, Centre Wellington
- 6506 Wellington Rd. 7, Centre Wellington

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 proposed new LTLTs or retail points of supply as a result of this SAA application.

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.

HONI's consent letter (Attachment 3) demonstrates communication between CWH and HONI.

7.3.11

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

Attachment 3 – HONI's consent letter supporting SAA.

7.3.12

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

Not Applicable.

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.

Not applicable.

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.

There will be no capital contribution required from the individual customer which is currently serviced by CWH and will continue to be.

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.

CWH requests that the Board proceed with this application without a hearing.

- (a) No person will be adversely affected if the Board approves this application. The customer is currently connected to CWH's system and will not incur any costs associated with this SAA.
- (b) HONI has provided consent in support of this application.

7.8 CERTIFICATION AND ACKNOWLEDGMENT STATEMENT

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

Original signed by Wayne Dyce

Wayne Dyce
VP/Operations Manager
Centre Wellington Hydro Ltd.

Dated: October 1, 2013

Wellington Rd 7

Approximate area of Waste Water
Plant Land @ 6510 Wellington Rd
7. Subject to SAA

Town of Elora in the Township of Centre
Wellington. East of Wellington Rd 7
served by Centre Wellington Hydro.

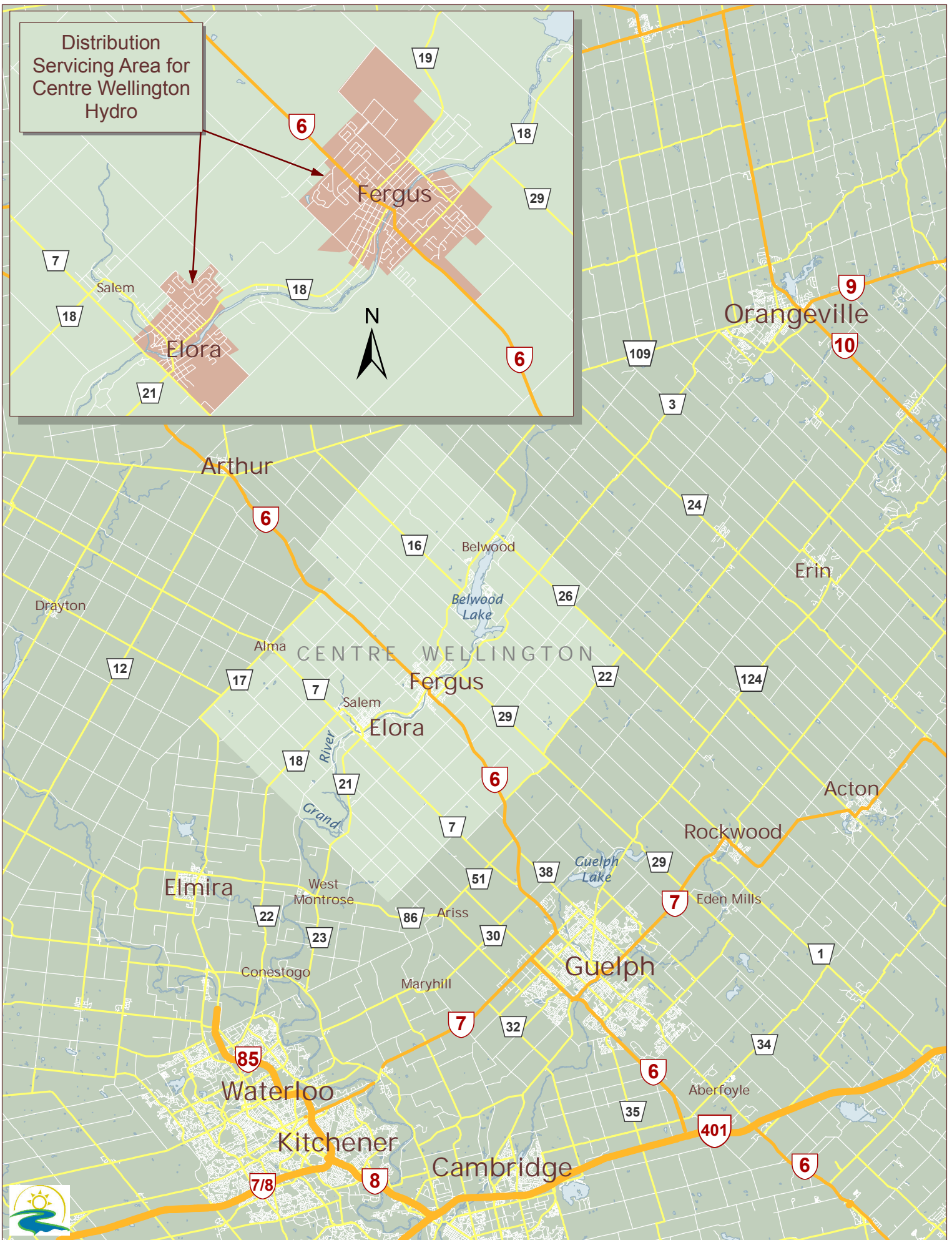
Point of connection

Grand River

Pole line upgrade

Wholesale meter
point.





Hydro One Networks Inc.

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Andrew Skalski

Director – Major Projects and Partnerships
Regulatory Affairs



BY COURIER

September 17, 2013

Wayne Dyce
VP/Operations Manager
Centre Wellington Hydro Ltd.
730 Gartshore St
Fergus, ON N1M 2W8

Dear Mr. Dyce:

**Centre Wellington Hydro Ltd. 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 Centre Wellington Hydro Limited's ("Centre Wellington") Distribution Licence as proposed in Centre Wellington's service area amendment application to include the property with the legal description Pt Lt Broken Front Con 1 East Of Grand River Pilkington As In MS23746; Centre Wellington. Also, Hydro One supports Centre Wellington's request to proceed with this service area amendment without a hearing.

Sincerely,

ORIGINAL SIGNED BY JOANNE RICHARDSON ON BEHALF OF ANDREW SKALSKI

Andrew Skalski