

August 5, 2014

**Delivered by Courier and RESS**

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27th Floor  
Toronto, Ontario  
M4P 1E4

Dear Ms. Walli:

**Re: Horizon Utilities Corporation - Application to Amend Licensed Service Area EB-2014-0243**

Horizon Utilities Corporation ("Horizon Utilities") is a licensed electricity distributor in Ontario and operates under License Number ED-2006-0031. Horizon Utilities serves the cities of Hamilton and St. Catharines.

Horizon Utilities is making an application (the "Application") to the Ontario Energy Board ("OEB" or the "Board") to amend its service area to include specific lands, currently located in the licensed distribution service area of Hydro One Networks Inc. ("Hydro One"), for the purpose of servicing these lands. The customer, Multi-Area Developments Inc. (the "Customer"), has requested that Horizon Utilities supply electricity to the subject lands. As noted above, Horizon Utilities is not the geographic distributor for that area.

The Board has previously granted Horizon Utilities' amendments to its service area in order to facilitate the Customer's connection for earlier phases of the same residential development. The proposed amendment to Horizon Utilities' service area will service the next phase of the development. Hydro One supports this Application and a letter of consent is included as Attachment 5 to the Application.

Horizon Utilities requests that the Board proceed with this Application without a hearing, pursuant to subsection 21(4) of the *Ontario Energy Board Act, 1998*.

Two hard copies of this letter and the Application will be delivered by courier.

Yours truly,

*Original signed by Indy J. Butany-DeSouza*

Indy J. Butany-DeSouza  
Vice-President, Regulatory Affairs  
Horizon Utilities Corporation

c: Joanne Richardson, Director – Major Projects and Partnerships, Hydro One Networks Inc.  
Pasquale Catalano, Regulatory Analyst – Regulatory Affairs, Hydro One Networks Inc.



**Service Area Amendment Application**

**Horizon Utilities Corporation**

**Date: August 5, 2014**



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## 7.0 INTRODUCTION

This application (the “Application”) is structured to follow the minimum filing requirements for Service Area Amendments as specified by the Ontario Energy Board (“OEB” or the “Board”) in *Chapter 7 of the Filing Requirements for Transmission and Distribution Applications* (the “Filing Requirements”). The section numbering follows that of the Filing Requirements.

Horizon Utilities Corporation (“Horizon Utilities”) is a licensed electricity distributor and holds Electricity Distribution License No. ED-2006-0031. Horizon Utilities provides service to customers in the Cities of Hamilton and St. Catharines. Horizon Utilities is making application to the OEB for the purpose of amending Horizon Utilities’ service area as described in Schedule 1 of its Distribution License (ED-2006-0031) to include the lands owned by Multi-Area Developments Inc. (the “Customer”). These lands are described as Summit Park Phase 8, located at the South East corner of Fletcher Road and Rymal Road East, in the City of Hamilton and designated as part of Lots 4 and 5, Block 4 of Concession 1 of the geographic Township of Binbrook. The vacant land is by default deemed to be located in the service area of Hydro One Networks Inc. (“Hydro One”).

**7.1 BASIC FACTS**

**7.1.1**

*Provide the contact information for each of the following persons: Contact information includes the name, postal code, telephone number, and, where available, the email address and fax number of the persons listed below.*

**7.1.1 (a)**

*The applicant*

Horizon Utilities Corporation  
55 John Street North  
PO Box 2249, Station LCD 1  
Hamilton, Ontario  
L8N 3E4

Indy J. Butany-DeSouza  
Vice-President, Regulatory Affairs  
Telephone: (905) 317-4765  
Facsimile: (905) 522-6570  
Email: [indy.butany@horizonutilities.com](mailto:indy.butany@horizonutilities.com)

**7.1.1 (b)**

*The incumbent distributor*

Hydro One Networks Inc.  
483 Bay Street, 8<sup>th</sup> Floor, South Tower  
Toronto, Ontario,  
M5G 2P5

Pasquale Catalano  
Regulatory Analyst – Regulatory Affairs  
Telephone: (416) 345-5405  
Facsimile: (416) 345-5866  
Email: [pasquale.catalano@hydroone.com](mailto:pasquale.catalano@hydroone.com)

**7.1.1 (c)**

*Every affected customer, landowner, and developer in the area that is the subject of the SAA application*

Multi Area Developments Inc. is the only affected customer.

Multi-Area Developments Inc.  
Attention: Mr. Steve Spicer  
Development Manager  
301 Fruitland Road, Unit 10  
Stoney Creek, Ontario L8E 5M1  
Telephone: 905-664-2623  
Facsimile: 905-662-8401  
Email: [spicer@multi-area.com](mailto:spicer@multi-area.com)

**7.1.1 (d)**

*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*

NOT APPLICABLE

**7.1.1 (e)**

*Any representative of the persons listed above including, but not limited to, a legal representative*

NOT APPLICABLE

**7.1.2**

*Indicate the reasons why this amendment should occur and identify any load transfers eliminated by the proposed SAA*

Multi-Area Developments Inc., the developer within the area of the amendment, has requested that Horizon Utilities provide an underground electrical distribution system for this development. Horizon Utilities has sufficient capacity on its existing distribution facilities bordering the development to supply the proposed load for the new development. Hydro One's distribution facilities in the area are currently not sufficient to supply the load for the development and would require additional investment. No increase in rates for either Horizon Utilities' or Hydro One's existing customers will be required to service the proposed development as a result of this Application. Therefore, no party is disadvantaged as a result of this proposed amendment for



Horizon Utilities to supply the development. There are no load transfers involved with this property and therefore no load transfers will be eliminated by the proposed amendment.

### DESCRIPTION OF PROPOSED SERVICE AREA

#### 7.1.3

*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 subject lands are described as Summit Park Phase 8 and are located at the South East corner of Fletcher Road and Rymal Road East in the City of Hamilton and designated as part of Lots 4 and 5, Block 4 of Concession 1 of the geographic Township of Binbrook.

#### 7.1.4

*Provide one or more maps or diagrams of the area that is the subject of the SAA application. The maps or diagrams must identify the following information:*

##### 7.1.4 (a)

*The borders of the applicant's service area*

See [Attachment 1.](#)

##### 7.1.4 (b)

*The borders of the incumbent distributor's service area*

See [Attachment 1.](#)

##### 7.1.4 (c)

*The borders of any alternate distributor's service area, if applicable*

NOT APPLICABLE

**7.1.4 (d)**

*The territory surrounding the area for which the applicant is making the SAA application*

See [Attachment 1](#)

**7.1.4 (e)**

*The 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)**

*The 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)*

See [Attachment 2](#).

Horizon Utilities has a 27.6 kV feeder with 10 MVA of capacity immediately adjacent to the subject area of this Application. Hydro one would require a 1.6 km expansion to service the subject area.

**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)*

Summit Park Phase 8 will be a Residential subdivision. There will be connections to each lot.

**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*

See [Attachment 1](#).

There are lands adjacent to the subject area to the east that have not been developed but have been zoned Residential by the City of Hamilton. In 2011, the City of Hamilton approved these adjacent lands for development under Site Development Plans 25T200208, 25T200303, and 25T200213.

## **7.2 EFFICIENT RATIONALIZATION OF THE DISTRIBUTION SYSTEM**

### **7.2.1**

*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)**

*The location of the point of delivery and the point of connection*

Horizon Utilities has a 27.6 kV feeder running adjacent to Rymal Road immediately north of the subject lands. The point of connection will be at the boundaries of the previous Phase 6 and Phase 7 of the Summit Park Development. The point of connection, which consists of existing padmount transformers from Phase 6 and existing switching cubicles from Phase 7, will maintain a looped electrical distribution into the new Phase 8 development area.

#### **7.2.1 (b)**

*The proximity of the proposed connection to an existing, well-developed electricity distribution system*

The subject property is located on the south side of Rymal Road and Horizon Utilities has a 27.6 kV feeder running adjacent on the north side of Rymal Road approximately 30 meters from the subject property, complete with existing underground electrical distribution from the previous Phase 6 and Phase 7 Summit Park Developments.

**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)*

Horizon Utilities' fully allocated connection costs for supplying Summit Park Phase 8 are as follows:

Distribution Lines & Transformers	\$740,470.00
Services & Metering	\$59,570.00
Total Project Costs	\$800,040.00
Less: NPV of Revenues net of OM&A and Taxes	(\$305,170.43)
Total Estimated Capital Contribution Required (including HST)	\$494,869.57

**7.2.1 (d)**

*The amount of any capital contribution required from the customer*

The capital contribution required from the customer is \$494,869.57 based on the economic evaluation provided as Schedule B of [Attachment 4](#).

**7.2.1 (e)**

*The 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*

There will be no negative effect on the reliability of the infrastructure in the area that is the subject of the Application or in the regions adjacent to the area that is the subject of the Application over the long term.

**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*

There is growth potential in the area of and surrounding the service area amendment. This growth potential can be accommodated in a cost efficient manner by the existing Horizon Utilities 27.6 kV underground infrastructure being part of the Phase 6 and Phase 7 developments of Summit Park. Horizon Utilities will not have to expand its existing infrastructure to supply this area.

**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*

The infrastructure needed to supply the subject development is the 27.6 kV underground distribution feeder running within the existing developments of Phase 6 and Phase 7 of Summit Park. There is no need for any additional proposed infrastructure to service this connection.

**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) above.

**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 on costs, rates, service quality, or reliability for customers in the area that is the subject of the Application or that arise as a result of the proposed service area amendment.

**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 on costs, rates, service quality, or reliability for customers of any distributor outside the area that is the subject of the Application or that arise as a result of the proposed service area amendment.

**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*

There are no impacts on Horizon Utilities because there is an existing feeder adjacent to this property with ample capacity to supply this development. No existing Hydro One customers will be affected by this Application; as a result there is no impact on Hydro One as a distributor. The only impact is to the service area boundaries.

**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 or redundant assets resulting from this service area amendment.

**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*

There is no requirement to transfer any assets.

**7.3.7**

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

There is no requirement to transfer any customers.

**7.3.8**

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

There are no existing load transfers or retail points of supply that will be eliminated.

**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.  
Evidence of Consideration and Mitigation of Impacts*

There will be no new load transfers or retail points of supply created as a result of this Application.

**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*

There are no other customers other than the developer, Multi-Area Developments Inc. [Attachment 3](#) contains a letter from the Customer.

**7.3.11**

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

A letter providing the consent of this application by Hydro One Networks Inc. is provided as [Attachment 5](#).

**7.3.12**

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

The Offer to Connect signed by the customer is provided as [Attachment 4](#) as evidence of the customer's support of this application.

**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**

*The Board, in the RP-2003-0044 decision, stated that customer preference is an important, but not overriding consideration when assessing the merits of an SAA.*

**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.*

The Offer to Connect signed by the customer is provided as [Attachment 4](#) as evidence of the customer's preference to proceed with Horizon Utilities as the electrical distributor.



**7.5 ADDITIONAL INFORMATION REQUIREMENTS FOR CONTESTED APPLICATIONS**

Horizon Utilities has not completed Section 7.5 of this SAA Application as this is not a contested Application. Hydro One has provided its consent to this SAA as shown in the attached letter of consent, included herewith as [Attachment 5](#).

*If there is no agreement among affected persons regarding the proposed SAA, the applicant must file the additional information set out below.*

**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.

**METHOD OF DISPOSITION**

Horizon Utilities would ask that this matter be disposed of without a hearing, pursuant to subsection 21(4) of the *Ontario Energy Board Act, 1998* as Hydro One has consented to Horizon Utilities' proposed service area amendment as shown in [Attachment 5](#).

**CONCLUSION**

The evidence filed with this Application confirms that it is economically efficient for Horizon Utilities to serve the proposed development. Summit Park Phase 8 is a natural extension to Horizon Utilities' existing urban distribution system. Horizon Utilities already serves Phases One through Seven and the Gardens at Summit Park; Horizon Utilities has surplus capacity on existing 27.6 kV circuits that are contiguous to the Summit Park development. Horizon Utilities has sufficient capacity on its existing distribution facilities bordering the development to supply the proposed load for the new development. Hydro One's distribution facilities in the area are

1 currently not sufficient to supply the load for the development and would require additional  
2 investment. No increase in rates for either Horizon Utilities' or Hydro One's existing customers  
3 will be required to service the proposed development as a result of this Application. Therefore,  
4 Horizon Utilities requests the approval of the OEB for this service area amendment. Horizon  
5 Utilities requests this application to be ruled on by way of a written hearing.

6 All of which is respectfully submitted this 5th day of August, 2014.

7

8 Indy J. Butany-DeSouza

9 Vice-President, Regulatory Affairs

10 Horizon Utilities Corporation

11 55 John Street North

12 PO Box 2249, Station LCD 1

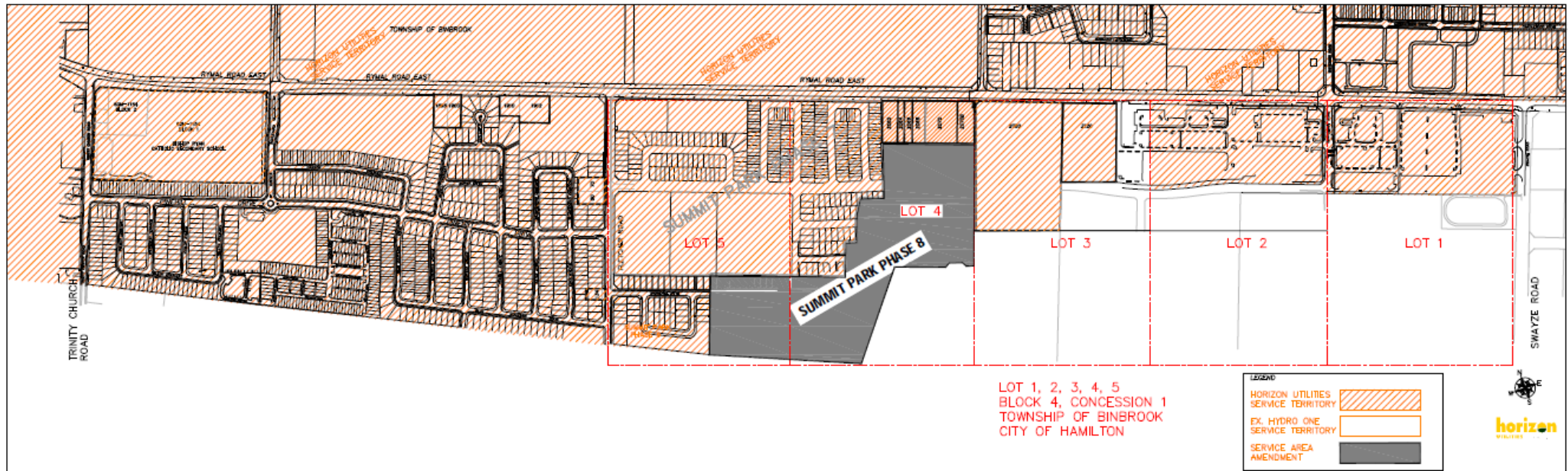
13 Hamilton, Ontario

14 L8N 3E4

15 Email: [indy.butany@horizonutilities.com](mailto:indy.butany@horizonutilities.com)



# Attachment 1 – Area Map













### **Attachment 3 – Request from Developer**

**From:** Steve Spicer <spicer@multi-area.com>  
**Sent:** Friday, April 11, 2014 2:29 PM  
**To:** Lerette, Kathy  
**Cc:** Henry Marfisi; Jakubowski, Mark  
**Subject:** Summit Park Phase 8

Hi Kathy,

As discussed, we are asking both Hydro One and Horizon for offers to connect for our Summit Park Phase 8 development.

Please provide us with your offer to connect as soon as possible so that we are in a position to compare offers as soon as both are received.

Thanks

Steve



## Attachment 4 – Horizon Utilities' Offer to Connect

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### Subdivision – Offer to Connect

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April 15, 2014

Multi-Area Developments Inc.  
301 Fruitland Road, Suite 10  
Stoney Creek, Ontario  
L8E 5M1

Attention: Mr. Steve Spicer

RE: "Summit Park- Phase 8"  
Bellagio Ave – Hamilton, ON  
HORIZON UTILITIES CORPORATION PROJECT – 12823

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Please find enclosed Horizon Utilities Corporation (Horizon Utilities) required Capital Contribution and Expansion Deposit to connect to Horizon Utilities' electrical distribution system (Offer to Connect). This Offer to Connect is based upon the estimated costs and forecast revenues of connecting the Customer in accordance with the five-year load projection of the forecasted consumption for each metered service, and the Approved for Construction electrical system design approved by Horizon Utilities Corporation. If the Customer or Customer's Consultant submits revised plans, Horizon Utilities may provide, at the Customer's expense, a new Offer to Connect based on the revised plans. This is an estimate only. Please refer to the bottom of each Schedule B attached for a summary of costs for each of the two construction options available to the Customer.

Once the Customer facilities have been commissioned into service and are energized, Horizon Utilities will carry out a final economic evaluation based on the forecasted revenues and actual costs incurred in accordance with the methodology set out by the Ontario Energy Board (OEB) in the Distribution System Code (Code). In accordance with the Code, the capital contribution that will be charged to the Customer will not exceed the difference between the present value of the projected capital costs and on-going maintenance costs of the facilities and the present value of the projected revenue for distribution services provided by those facilities.

The estimated Capital Contribution and the actual Capital Contribution will be calculated at no expense to the Customer.

Horizon Utilities will provide the preliminary planning, design and engineering specifications for the connection. These costs will be included in the capital cost calculation for the work.

#### 1. INITIAL CAPITAL CONTRIBUTION

Based upon the enclosed economic evaluation of the estimated costs and forecast revenues, the initial Capital Contribution required from the Customer is \$494,869.57 (including HST).

The initial Capital Contribution includes \$59,570.00 that represents the basic connection charge to non-residential Customers (service and metering costs).

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Subdivision – Offer to Connect

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2. ALTERNATIVE BIDS

Where section 1 above indicates that an initial Capital Contribution is payable by the Customer, the Customer requesting the connection has the option of obtaining alternative bids (Alternative Bid Option) for any work that either Horizon Utilities or the Customer will perform (Eligible for Alternative bid Work).

If the Customer chooses the Alternative Bid Option, the customer will be responsible for the Eligible for Alternative bid Work and responsibilities as described below.

Eligible for Alternative bid Work:

- **Transformation:** Supply and install all pad-mounted transformers and required concrete foundations.
- **Primary Cable & Terminations:** Supply and install high voltage cables and terminations from the point of supply to the transformers.
- **Primary and Secondary Cable Duct Bank:** Supply and install all primary and secondary cable duct bank per the approved construction drawing.

In addition, the customer is responsible to:

- Provide notice in writing to Horizon Utilities that the Customer is proceeding with the Alternative Bid Option
- The complete construction of all Eligible for Alternative bid Work
- Choosing contractors that have been pre-qualified by Horizon Utilities to perform Eligible for Alternative bid Work
- Purchasing materials required for the Eligible for Alternative bid Work from a Horizon Utilities approved supplier
- Selecting, hiring and paying the contractor
- Administering any contract with the contractor
- Acquiring all required permissions, permits and easements and obtaining any certifications required under Ontario Regulation 22/04
- Ensuring that the Eligible for Alternative bid Work is done in accordance with Horizon Utilities design and technical standards and specifications
- Once the system has been accepted and commissioned into service, provide a warranty for the Eligible for Alternative bid Work for a period of two (2) years after completion
- Paying Horizon Utilities for all costs incurred by Horizon Utilities associated with the expansion including, but not limited to, all costs associated with any additional design, engineering or installation of the facilities required to complete the project and any costs of inspection or approval of the work performed by the contractor. The additional costs that will occur as a result of the Alternative Bid being chosen are estimated at \$56,826.01.

Not eligible for Alternative bid Work:

Horizon Utilities will perform the following not eligible for Alternative bid Work:

- **Connection:** Final connection of the expansion to the distribution system.
- **Site-Specific Costs:** None required for this project.

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Subdivision – Offer to Connect

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3. CAPITAL COST RECOVERY AGREEMENT

The Customer will be required to enter into a Capital Cost Recovery Agreement with Horizon Utilities. Horizon Utilities will forward the Capital Cost Recovery Agreement upon the Customer's written acceptance of this Offer to Connect. Execution of the Capital Cost Recovery Agreement, including payment of the initial Capital Contribution, Expansion Deposit and any other amount specified therein, is required prior to Horizon Utilities commencing with any portion of the work, including procurement of long-lead materials.

A \$1,500.00 Non-Refundable Engineering Fee will be charged for any significant (as determined by Horizon Utilities) Customer requested redesign(s). Horizon Utilities must receive this fee prior to the commencement of any redesign(s).

When the Customer transfers the facilities that it constructed under the Alternative Bid Option to Horizon Utilities, Horizon Utilities will pay the Customer a transfer price calculated in accordance with the Capital Cost Recovery Agreement.

This Offer to Connect is valid for six (6) months from the date hereof.

The Customer will be required to enter into the Capital Cost Recovery Agreement within six (6) months of the date hereof failing which this Offer to Connect shall become null and void.

Please acknowledge the acceptance of this Offer to Connect by indicating the construction option preferred on the following page and returning mail or fax (905-523-5764) to our office.

Regards,

Greg Vande Kuyt, C.E.T.  
Engineering Technician  
Horizon Utilities Corporation

Horizon Utilities Corporation's Conditions of Service describe its operating practices and connection policies  
To view Horizon Utilities Corporation's Conditions of Service, please visit [www.horizonutilities.com](http://www.horizonutilities.com)

**Subdivision – Offer to Connect**

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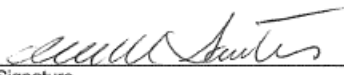
I, Mr./Ms. \_\_\_\_\_ of \_\_\_\_\_  
acknowledges and accepts the terms and conditions of this "Offer to Connect" provided by Horizon Utilities to  
service **Summit Park- Phase 8** in Hamilton. In accepting this Offer to Connect the Customer's Consultant  
requests Horizon Utilities undertake the Eligible for Alternative bid Work and not eligible for Alternative bid  
Work as described within. The initial Capital Contribution and Expansion Deposit as required by the Customer  
shall be as noted above.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**-OR-**

~~I, Mr./Ms. MULTI-AREA DEVELOPMENTS OF INC, STONEY CREEK, ONT. L8C-5M1~~  
acknowledges and accepts the terms and conditions of this "Offer to Connect" provided by Horizon Utilities to  
service **Summit Park- Phase 8** in Hamilton and will be **pursuing the Alternative Bid Option**. The initial Capital  
Contribution and Expansion Deposit as required by Horizon Utilities shall be as noted above. The Customer will be  
required to pay the associated costs as outlined in Section 9 above in addition to a Capital Contribution and/or  
Expansion Deposit as required.

  
\_\_\_\_\_  
Signature

May 26, 2014  
\_\_\_\_\_  
Date



**HORIZON UTILITIES CORPORATION**

Capital Cost Recovery Agreement – Horizon Build Subdivision

**Schedule B - Cost and Revenue**

**COST**

**Horizon Utilities Corporation Work Estimate of Total Costs:**

Description of Charges	Eligible - Alt Bid	Not Eligible - Alt Bid	Total
Distribution Lines & Transformers	-	\$740,470.00	\$740,470.00
Services & Metering	-	\$59,570.00	\$59,570.00
<b>Total Project Costs before expansion costs</b>	-	<b>\$800,040.00</b>	<b>\$800,040.00</b>
Expansion Costs related to Electrical Distribution System Costs	-	-	-
<b>Total Project Costs including expansion costs</b>	-	<b>\$800,040.00</b>	<b>\$800,040.00</b>

**Number Customers/Connections:**

Residential - # Customers	259
Number of Transformers	22

**NPV Components**

Capital Expenditures - Project Costs & Expansion costs	-\$718,253.75
Incremental Operating, Maintenance & Administration Costs	-\$482,997.14
Distribution Revenue	\$763,313.22
<b>Net Present Value</b>	<b>-\$437,937.67</b>
HST @ 13%	-\$56,931.90
<b>Capital Contribution requirement</b>	<b>-\$494,869.57</b>
Expansion Deposit	\$362,102.33
Fully recoverable work (@ \$3,500 per streetlight)	\$0.00



HORIZON UTILITIES CORPORATION

Capital Cost Recovery Agreement – Alternative Bid Subdivision

Schedule B - Cost and Revenue

COST

Horizon Utilities Corporation Work Estimate of Total Costs:

Description of Charges	Eligible - Alt Bid	Not Eligible - Alt Bid	Total
Distribution Lines & Transformers	\$731,770.00	\$8,700.00	\$740,470.00
Services & Metering	-	\$59,570.00	\$59,570.00
<b>Total Project Costs before expansion costs</b>	<b>\$731,770.00</b>	<b>\$68,270.00</b>	<b>\$800,040.00</b>
Expansion Costs related to Electrical Distribution System Costs	-	-	-
<b>Total Project Costs including expansion costs</b>	<b>\$731,770.00</b>	<b>\$68,270.00</b>	<b>\$800,040.00</b>

Number Customers/Connections:

Residential - # Customers	259
Number of Transformers	22

Customer has Elected To Use The Alternative Bid Option

No Capital Contribution currently, this will be determined once Transfer Price is known.

\$0.00

Prepayments Required:

Estimated Final Connection Costs		\$8,700.00
Inspection & Engineering Administration:		
First \$50,000 @ 15%	\$7,500.00	
Balance @ 5%	\$34,088.50	\$41,588.50
		\$60,288.50
	HST @ 13%	\$5,537.51
		<b>\$68,826.01</b>

Prepayments Required

Expansion Deposit

\$731,770.00

Services & Metering Costs @ \$230.00 per Residential Customer

\$59,570.00

Customer Acknowledges that:

1. It has elected to use the Alternative Bid Option		
2. It is responsible for the Capital Contribution, Expansion Deposit, any security or other payment, fee or costs specified herein		
3. Final Capital Contribution, Transfer Price, Expansion Deposit will be determined at the time of completing the final Economic Evaluation		
4. They will be responsible for paying the amounts specified below as follows:		
(i) Fees and Costs	\$56,826.01	Execution of Agreement
(ii) Estimated Expansion Deposit (to be finalized prior to energization)		
- 10% of Contestable Work for 2 year Maintenance	\$73,177.00	Prior to Energization
- Portion to complete, repair or bring up to standard the facilities		
(iii) Service and Metering Costs @ \$230 per Residential Customer	\$59,570.00	Prior to Energization
5. The Transfer Price they have requested (An option must be selected):		
<input type="checkbox"/> Distributor apply the Transfer Price against the required Expansion Deposit and the Services and Metering Costs (if any)		
<input type="checkbox"/> Distributor not apply the Transfer Price against the required Expansion Deposit and the Services and Metering Costs		

\* A Letter of Credit is acceptable as payment of the Expansion Deposit. Please refer to Schedule C - Form Letter of Credit



## Attachment 5 – Hydro One Letter

**Hydro One Networks Inc.**

7<sup>th</sup> Floor, South Tower  
483 Bay Street  
Toronto, Ontario M5G 2P5  
www.HydroOne.com

Tel: (416) 345-5393  
Fax: (416) 345-5866  
Joanne.Richardson@HydroOne.com

**Joanne Richardson**

Director – Major Projects and Partnerships  
Regulatory Affairs



BY COURIER

July 8, 2014

Indy Butany-DeSouza  
Vice-President, Regulatory Affairs  
Horizon Utilities Corporation  
P.O. Box 2249, Station LCD 1  
Hamilton, ON L8N 3E4

Dear Ms. Indy Butany-DeSouza:

**Horizon Utilities Corporation Application for Licence Amendment**

This is to confirm that Hydro One Networks Inc. ("Hydro One") supports your application to amend Horizon Utilities Corporation's ("Horizon") Distribution Licence as proposed in Horizon's service area amendment application with the lands designated as part of Lots 4 and 5, Block 4 of Concession 1 of the geographic Township of Binbrook in the City of Hamilton. Also, Hydro One supports Horizon's request to proceed with this service area amendment without a hearing.

Sincerely,

ORIGINAL SIGNED BY JOANNE RICHARDSON