

St. Thomasenergyinc.

We're Your Local Power Distributor

a division of Ascent

July 7, 2015

Ontario Energy Board

P.O. Box 2319

2300 Yonge Street

27th Floor

Toronto ON M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

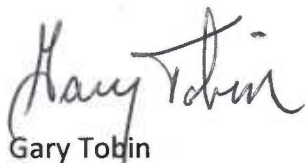
SUBJECT: Service Area Amendment Application

Please find attached a Service Area Amendment Application made pursuant to subsection 74(1)(b) of the *Ontario Energy Board Act, 1998* (the "Application"). The Application pertains to soon-to-be developed land adjacent to St. Thomas Energy's service area that lies within the service area of Hydro One Networks Inc. ("HONI"). The affected customer has requested that St. Thomas Energy be its electricity service provider, and HONI has consented to this Application.

The Application has been prepared in accordance with the Board's *Filing Requirements for Service Area Amendment Applications*.

If you have any questions, please do not hesitate to contact me

Sincerely,



Gary Tobin
President & COO



135 Edward Street, St. Thomas, ON N5P 4A8 Tel: 519-631-5550 Fax: 519-631-4771
Mailing Address: P.O. Box 460, Stn. Main, St. Thomas, ON N5P 3V2

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IN THE MATTER OF the Ontario Energy Board Act, 1998,
S.O. 1998, c.15, Schedule B;

AND IN THE MATTER OF an application by St. Thomas
Energy Inc. for an order to amend its Electricity Distribution
License (ED-2002-0523) pursuant to section 74 of the Ontario
Energy Board Act, 1998.

Service Area Amendment Application

ST. THOMAS ENERGY INC.

Submitted: July 7, 2015

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- Exhibit 1 - Map - STEI Proposed Phase 1 Connection
- Exhibit 2 - Map - Border of Applicant and Incumbent Service area
- Exhibit 3 - Map - Geographical Features surrounding the Area
- Exhibit 4 - Map - Existing Facilities Supplying the Area
- Exhibit 5 - Map - City of St. Thomas Municipal Boundary & St. Thomas Energy's service territory
- Exhibit 6 - Sample monthly bill statements (Applicant & Incumbent)

- Exhibit 7 - HONI's letter of consent, and Letter of Notification from Applicant to Incumbent
- Exhibit 8 - Customer Permission to Share Information about Development
- Exhibit 9 - Customer Preference Letter for Electrical Provider
- Exhibit 10 - City of St. Thomas Preference Letter for Electrical Provider
- Exhibit 11 - Applicant Offer to Connect and Financial Evaluation

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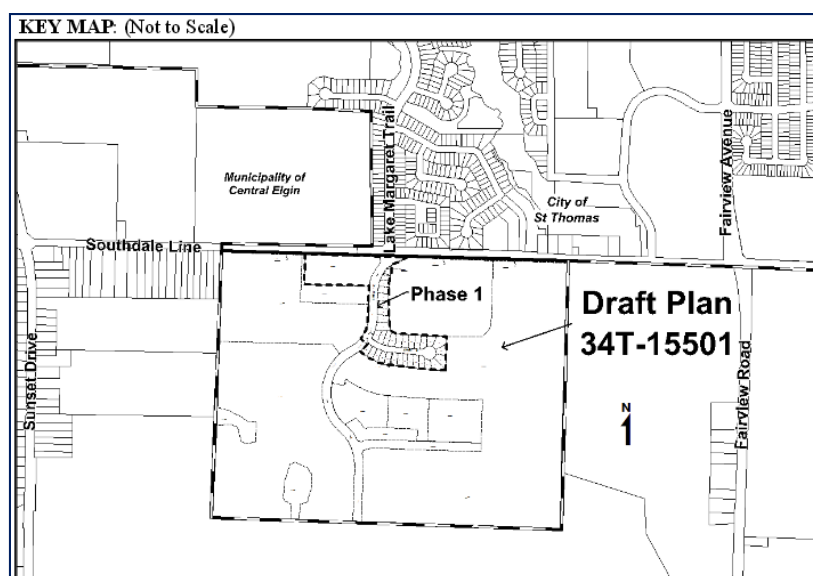
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EXECUTIVE SUMMARY

The Parish Farm Subdivision Development (the "Development") phase 1 is scheduled to start construction in the fall of 2015. There will be eight phases of construction of the Development, all of which will be located within the municipal boundaries of the City of St. Thomas on the south side of Southdale Line (County Road 57), east of Sunset Drive and west of Fairview Road, as shown outlined in heavy solid line on the Key Map below. The lands are described as Part of Lots 5 and 6, Concession 6, Geographic Township of Yarmouth, City of St. Thomas, County of Elgin. This service area amendment pertains only to phase 1 of the Development, which is also illustrated in the Key Map below. This service area amendment is not opposed by the incumbent distributor Hydro One Networks Inc.



Due to municipal annexation a decade ago, the City of St. Thomas' municipal boundaries were expanded to include the Development's underlying lands. However, St. Thomas Energy's licensed distribution service area was not amended at the same time to match the new municipal boundary.

St. Thomas Energy (or "the Applicant") has existing 27.6 kV distribution facilities on the road allowance on the north side of Southdale Line, directly across the road from phase 1 of the Development.

The incumbent distributor, Hydro One Networks Inc. ("HONI") has 8.32 kV distribution facilities on the road allowance on the northern boundary of the Development on the south side of Southdale Line that could provide electrical service to phase 1 of the Development.

St. Thomas Energy has filed this Service Area Amendment ("SAA") application because it is in the public interest for it to service phase 1 of the Development having regard to economic efficiency, consumer protection and the maintenance of a financially viable electricity industry.

Specifically, St. Thomas Energy submits that it is the appropriate electricity distributor to service phase 1 of the Development for the following reasons:

1. STEI has a primary voltage line at the phase 1 location.
2. STEI's cost to supply phase 1 is lower than HONI's.
3. STEI's rates to customers are lower than HONI's.
4. STEI's reliability is much better than HONI's.
5. STEI has excellent customer service ratings.
6. STEI's service centre is 5 km from the Development and staff can respond to problems very quickly; in less than 15 minutes during working hours and in 20-30 minutes after hours.
7. STEI does the water/sewer billing for the City, so servicing the Development will provide the least cost billing option for the residents of the Development

Note: The organization, content, subsection numbering convention, and subsection titles herein are selected for consistency with Ontario Energy Board publication EB-2006-0327, *Filing Requirements for Service Area Amendment Applications*, dated March 12, 2007.

7 INTRODUCTION

St. Thomas Energy Inc. is making an application to the Ontario Energy Board for the purpose of amending its service area (under Electricity Distribution License ED-2002-0523) to permit the connection of phase 1 of the Parish Farm Estate Development (the "Development") to St. Thomas Energy's distribution system. The Development land is located in the licensed service territory of Hydro One Networks Inc. and is contiguous to the licensed service area of St. Thomas Energy in the City of St. Thomas, and lies along St. Thomas Energy's distribution system.

Doug Tarry Limited ("the Developer"), is the legal owner and developer of the Development, and is proposing to begin developing phase 1 in the fall of 2015. Phase 1 would include fourteen semi-detached units, twenty-eight single family residences as well as a storm water management facility. There was a boundary adjustment completed within the City of St. Thomas (the "City") on January 1, 2006 after a series of growth related studies were completed, and this property along with others, were annexed into the City at that time. The Development is referred to as Parish Farm Subdivision Phase 1 and is described as Part of Lots 5 and 6, Concession 6, Geographic Township of Yarmouth as in E390923, City of St. Thomas, County of Elgin. It is the wish of the Developer that the Applicant service phase 1 of the Development.

As per section 74 (1) of the Act, St. Thomas Energy Inc. wishes to amend the distributor's license where the amendment is in the public's best interest by utilizing existing distribution systems. The Applicant has an existing 27.6 kV well-developed distribution system that lies along Southdale Line across the road from the entrance to phase 1 of the Development.

There have been two prior SAA applications [EB-2007-0934 and EB-2011-0436] by St. Thomas Energy for adjacent areas of HONI's service territory. These were not contested by HONI.

7.1 Basic Facts

General

7.1.1 Contact Information

- a) The Applicant for this Service Area Amendment is St. Thomas Energy Inc. The prime contact is:
Gary Tobin
President & COO

135 Edward Street
St. Thomas, ON. N5P 4A8
Mailing Address: P.O. Box 460 Stn. Main
St. Thomas, ON. N5P 3V2
Tel. 519-631-5550 ext. 5229
Fax 519-631-5193
Email gtobin@sttenergy.com

- b) The Incumbent distributor is Hydro One Networks Inc. The prime contact is:

Pasquale Catalano
Regulatory Analyst
483 Bay Street
7th Floor, South Tower
Toronto, ON M5G 2P5
Tel. 416-345-5405
Fax 416-345-5866
Email Regulatory@hydroone.com

- c) The site is currently undeveloped and as such there are no affected customers. The only affected party is the developer of the subdivision, Doug Tarry Limited. The prime contact is:

Greg Tarry
Doug Tarry Limited
358 Elm Street
St. Thomas, ON N5P1K1
Tel. 519-631-9300 ext.60
Fax. 519-631-3583
Email gregtarry@dougarryhomes.com

- d) There are no alternate distributors.

- e) The Applicant's legal representative is:

Andrew Taylor
The Energy Boutique
120 Adelaide Street West
Suite 2500
Toronto, ON M5H 1T1
Tel: 416-644-1568
Email: ataylor@energyboutique.ca

- f) The Developer's agent acting as its consulting engineer is:

John Wiebe, P.Eng.
CJDL Consulting Engineers
261 Broadway, P.O Box 460
Tillsonburg, ON N4G 4H8

Tel. 1-866-302-9886
Fax. 519-842-3235
Email jwiebe@cjdleng.com

7.1.2 Reason for Amendment

The proposed residential subdivision development is adjacent to the Applicant's service territory and lies along the existing Applicant's distribution system and would only require a connection to STEI's existing primary line to serve the entire Development. The Applicant submits it is economically efficient to connect the customer to its existing distribution system, as it represents the lowest cost to connect phase 1 of the Development. There are no load transfers that would be eliminated as a result of this Service Area Amendment.

As a result, the residents of the Development will enjoy lower rates, better reliability, better service, faster response time to outages and efficient customer services. The Development customers will also benefit through the lower cost of using a combined electric & water/sewer bill that the Applicant manages.

Board approval of this application would provide a favorable impact on rates for the Applicant's existing 16,600 residential and commercial customers. The Development will not have any material impact to Hydro One's approximately 1.3 million rural and urban distribution customers.

Proposed Service Area

7.1.3 Description of Proposed Service Area

The Development is referred to as Parish Farm Subdivision Phase 1 and is described as Part of Lots 5 and 6, Concession 6, Geographic Township of Yarmouth as in E390923, City of St. Thomas, County of Elgin. The land is situated on the south-side of St. Thomas within the City's municipal boundary on the south-side, known locally as 43209 Southdale Line St. Thomas, Ontario.

7.1.4 Maps and Diagrams

The following maps, diagrams and pictures are attached as Exhibits:

- Exhibit 1 - Map - STEI Proposed Phase 1 Connection
- Exhibit 2 - Map - Border of Applicant and Incumbent Service area
- Exhibit 3 - Map - Geographical Features surrounding the Area
- Exhibit 4 - Map - Existing Facilities Supplying the Area
- Exhibit 5 - Map - City of St. Thomas Municipal Boundary & St. Thomas Energy's service territory
- Exhibit 6 - Sample monthly bill statements (Applicant & Incumbent)

- Exhibit 7 - HONI's letter of consent, and Letter of Notification from Applicant to Incumbent
- Exhibit 8 - Customer Permission to Share Information about Development
- Exhibit 9 - Customer Preference Letter for Electrical Provider
- Exhibit 10 - City of St. Thomas Preference Letter for Electrical Provider
- Exhibit 11 - Applicant Offer to Connect and Financial Evaluation

Distribution Infrastructure In and Around the Proposed Amendment Area

7.1.5 Description of Proposed Physical Connection

The Developer will construct a residential subdivision to be serviced underground. The proposed Phase 1 development is to contain approximately 28 single-detached residential lots, approximately 14 semi-detached units. The Applicant proposes to connect the Phase 1 of the development to its existing 27.6 kV feeder that lies along the frontage on Southdale Line in the City of St. Thomas, as illustrated at Exhibit 1.

7.1.6 Future Expansions in Adjacent Lands

The Developer has indicated a preference for St. Thomas Energy to service phases 2-8 of the Development. St. Thomas Energy will consider filing a future SAA application for phases 2-8 (See exhibit 9).

7.2 Efficient Rationalization of the Distribution System

7.2.1 Economic and Engineering Efficiency

- a) Location of the point of delivery and the point of connection
 - Applicant: Source of supply is the existing 27.6 kV feeder from South Edgeware TS, and will enter the subject area underground using municipal infrastructure, refer to Exhibit 1.
 - Incumbent: Source of supply is 8.32 kV from Union Distribution Station.
- b) The proximity of the proposed connection to an existing, well-developed electricity distribution system.
 - Applicant: Has an aerial distribution circuitry that lies directly adjacent to the connection point on Southdale Line.
 - Incumbent: Has an aerial 8.32 kV that lies along the proposed development.
- c) The fully allocated connection costs for supplying the customer (i.e., individual customers or developers).

In regard to phase 1, the Applicant's and HONI's allocated connection cost for Option A (distributor performs non-contestable & contestable work) and Option B (distributor performs non-contestable work and developer performs contestable

work) for phase 1 of the proposed development are shown in Table 7-1 and Table 7-2 below.

Table 7-1, Option A Cost Comparison

	Applicant	Incumbent
Subdivision Expansion Cost	\$78,895	\$111,121
Line Expansion Cost	\$0	\$0
Total Capital Cost:	\$78,895	\$111,121

Table 7-2, Option B Cost Comparison

	Applicant	Incumbent
Subdivision Expansion Cost	\$43,120	\$65,634
Line Expansion Cost	\$0	\$0
Total Capital Cost:	\$43,120	\$65,634

It can be seen from Table 7-1 and Table 7-2 above that the Applicant can provide connection to the development at a lower cost for both Options A and B.

- d) The amount of any capital contribution required from the customer.
 - Applicant: No capital Contribution required.
 - Incumbent: No capital Contribution required.
- e) The costs for stranded equipment (i.e., lines, cables, and transformers) that would need to be de-energized or removed;
 - Applicant: None
 - Incumbent: None.
- 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 reliability of the new infrastructure in the Development that is subject to this SAA, will be enhanced because of the much better system reliability of the Applicant (refer to section 7.3.2). It will not adversely affect the Applicant's existing distribution system.
 - The Applicant has no knowledge what effect it would have on HONI's adjacent 8.32 kV infrastructure.
- 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;

- The addition of this proposed infrastructure will have a positive effect for the Developer as capacity is available on the existing 27.6 kV line to service all eight phases of the Development. This will result in better utilization of the Applicant's distribution system and will provide lower costs for the development and support potential growth beyond the boundaries of the Development.
- 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 Applicant is able to provide the most cost-efficient option. Please refer to section 7.2.1 (c).

7.3 Impacts Arising from the Proposed Amendment

Description of Impacts

7.3.1 Affected Customers and Landowners

There are no existing customers or landowners, other than the Developer affected by this proposed amendment who is in support of this application.

7.3.2 Customer Impacts within Subject Area

As a result of this SAA application, the residential customers in the Development will enjoy lower electricity rates (See Exhibit 6), better system reliability, lower capital cost and better customer response time for unplanned outages (see reliability graphs, Figure 7-1, Figure 7-2, and Figure 7-3 and of service quality statistics below, Table 7-3).

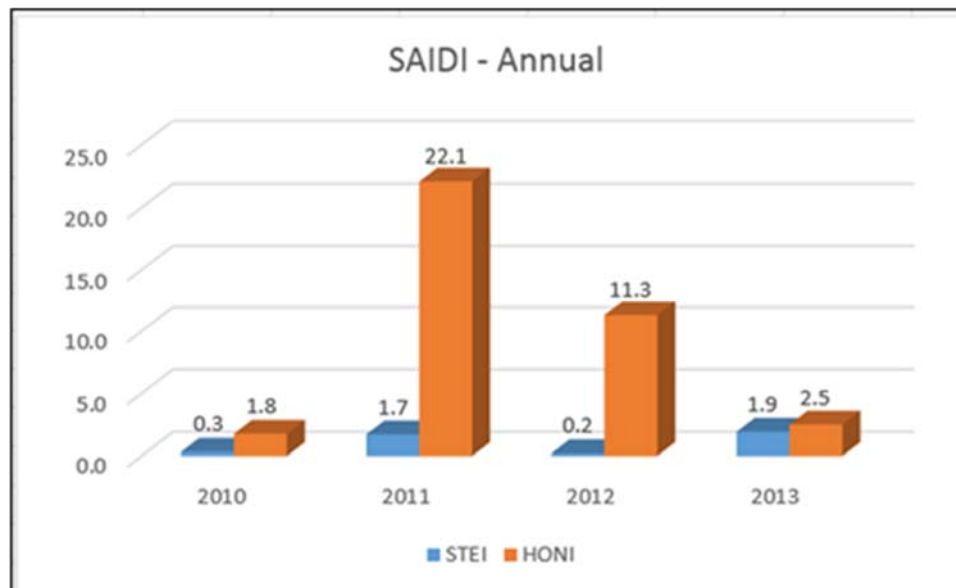


Figure 7-1, SAIDI Comparison, 2010 to 2013

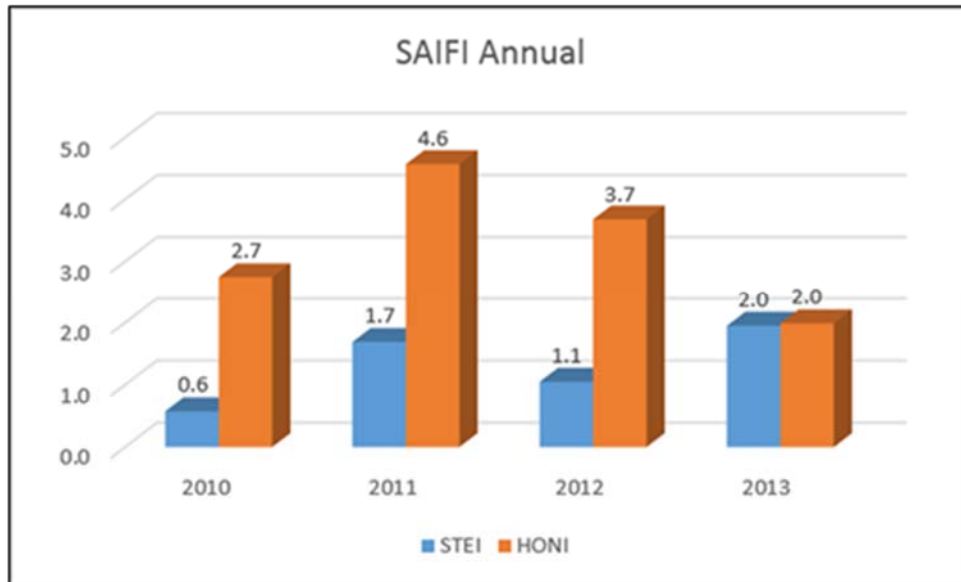


Figure 7-2, SAIFI Comparison, 2010 to 2013

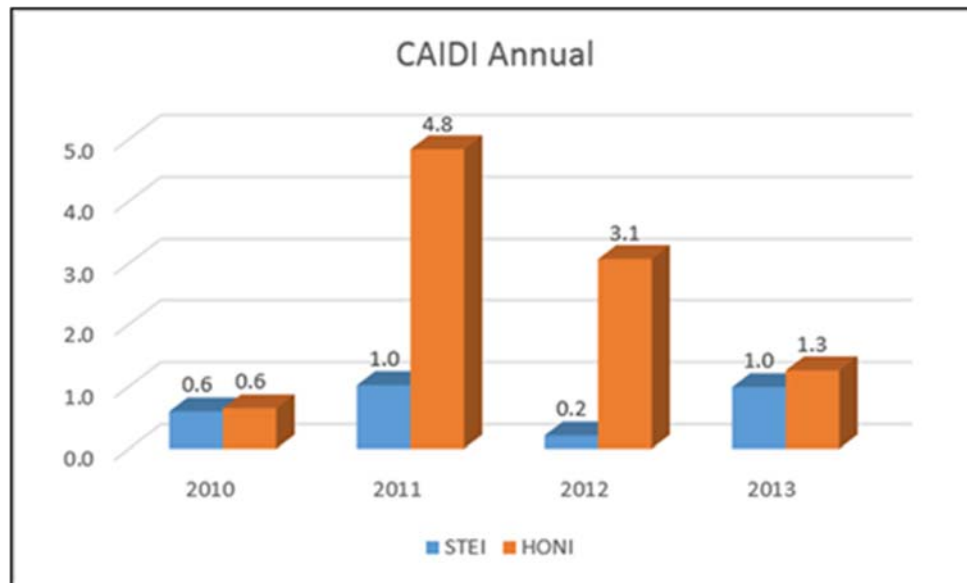


Figure 7-3, CAIDI Comparison, 2010 to 2013

Set out below is an excerpt of 2013 scorecard for the Applicant and the Incumbent.

Table 7-3, Scorecard Comparison Data for 2013

Distributor	Scheduled Appointments Met on Time (Target: 90%)	Telephone Calls Answered on Time (Target: 65%)	Average Number of Hours Power to Customer is Interrupted	Average Number of Times Power to Customer is Interrupted	Efficiency Assessment (1 = most efficient 5 = least efficient)	Total Cost (\$) per Customer
Hydro One Networks Inc.	98.40%	63.9%	26.57	4.23	5	1046
St. Thomas Energy Inc.	100%	76.50%	0.99	1.42	3	533

7.3.3 Customer Impacts outside Subject Area

The Applicant's customers outside the area will not experience any impact on costs, rates, service quality or reliability.

It is unknown what the impact is for HONI's customers, however the Applicants expects that there will be little or no impact.

7.3.4 Distributors Impacts

Approval of this SAA application will not result in any negative impact on the Applicant's costs, services quality or reliability. Instead, the Applicant will have a favourable customer impact in terms of cost, and rates with additional customer growth and distribution revenue.

It is unknown what the impact is for HONI, however the Applicant expects that there will be little or no impact.

7.3.5 Stranded and Redundant Assets

There are no stranded or redundant assets for the Applicant. It is unknown what the impact is for the Incumbent.

7.3.6 Transferred Assets

There is no transfer of assets associated with this application.

7.3.7 Transferred Customers

There is no transfer of customers associated with this application.

7.3.8 Eliminated Load Transfers or Retail Points of Supply

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

7.3.9 New Load Transfers or Retail Points of Supply

There are no new load transfers or retail points that will be created by this application.

Evidence of Consideration & Mitigation of Impacts

7.3.10 Written Confirmation of Full Disclosure

The Applicant confirms that all affected persons, namely HONI and the Developer, have been provided with specific and factual information about the proposed SAA. Attached is correspondence with HONI, including HONI's letter of consent (see Exhibit 7).

7.3.11 Consent of Incumbent Distributor

The Applicant has informed HONI in writing of this SAA and also provided HONI with a copy of its Offer to Connect. HONI has agreed to consent to the Applicant's SAA, for reference see Letter of Consent from HONI, Exhibit 7.

7.3.12 Consent of Developer

The Developer has reviewed the Offers to Connect from both the Incumbent and the Applicant. It has informed the Applicant in writing that it prefers that the Applicant be its electrical provider and to proceed with the submission of this SAA, see Exhibit 9.

7.3.13 Mitigation Efforts related to Customer and Asset Transfers

There are no customer or asset transfers involved in this application.

7.4 Customer Preference

7.4.1 Written Statement of Customer Preference

The developer has issued a letter to the Applicant stating its preference to be serviced by the Applicant, refer to Exhibit 9. Also a Letter from the Office of the Mayor of the City of St. Thomas requesting that the Applicant be the electrical provider for the Development can be found in Exhibit 10.

7.5 Contested Application – Additional Information

Hydro One has consented to St. Thomas Energy's Service Area Amendment for Phase 1 of the Parish Farm Development.

7.6 Conclusion

This Service Area Amendment application should be granted for the reasons summarized below. It considers the needs of future residential customers of the Development, and the Developer.

The Customer

In this SAA application, data has been provided to show that future phase 1 customers in the Development would benefit by having the Applicant service it through lower electricity bills, better customer service, better reliability and lower capital construction costs which translates into lower future rates. Also the future customers will benefit from the combined electric and water/sewer bill that the Applicant currently provides. The Applicant, in addition to telephone access, can service its customers using a front office that is open to them, a feature that is utilized by about 1,500 customers each month. The service centre is central to the City of St. Thomas which allows for consistent and rapid response times for customer issues.

The Developer

The Applicant can provide the electricity services at a lower cost than the Incumbent. The Developer can also expect a more flexible and timely working relationship with the Applicant Distributor as the local office in St Thomas will be providing the service connections and metering for the residential units as they are completed.

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Exhibits

Exhibit 1: Map – STEI Proposed Phase 1 Connection

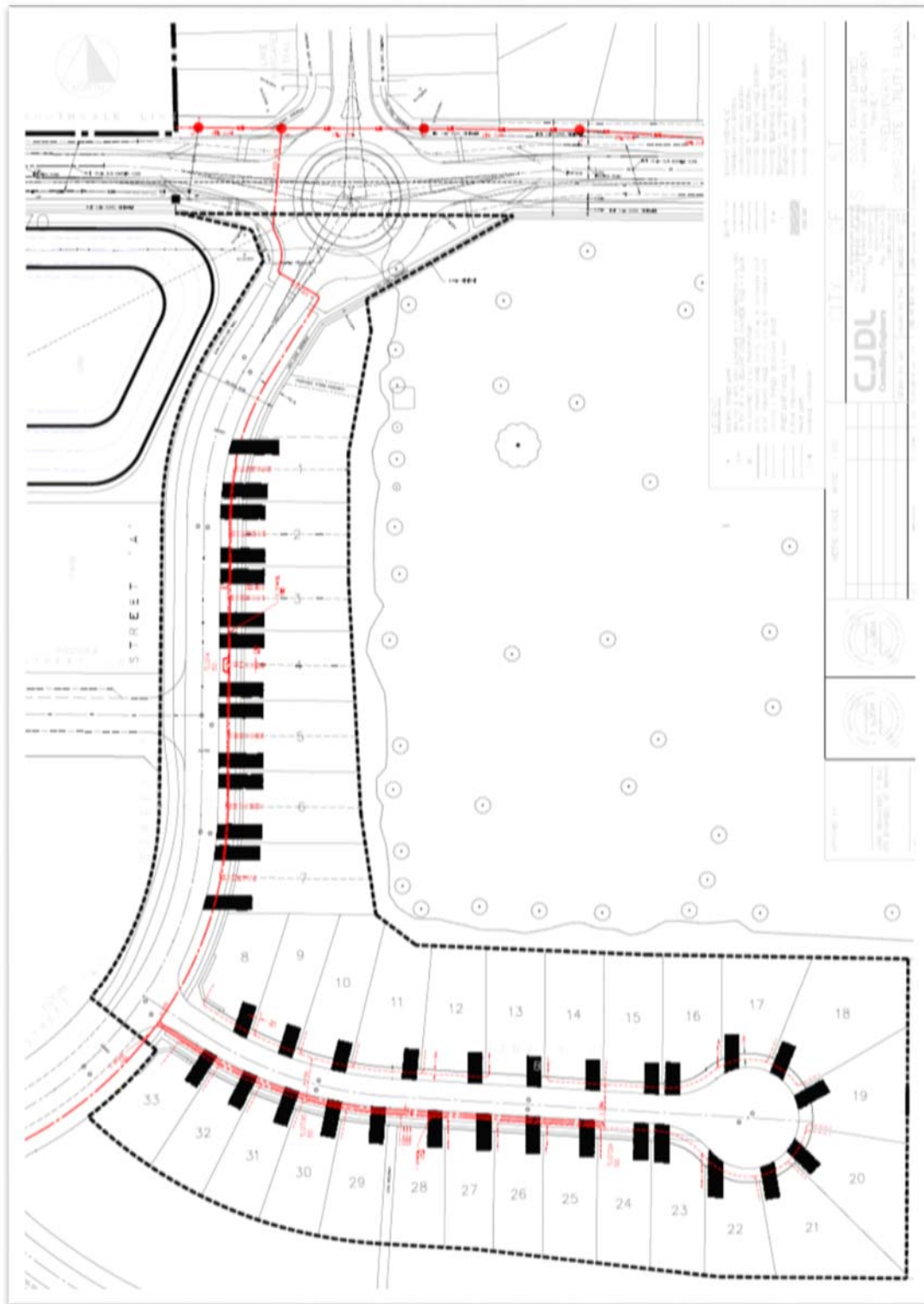


Exhibit 2: Map – Border of Applicant and Incumbent Service area

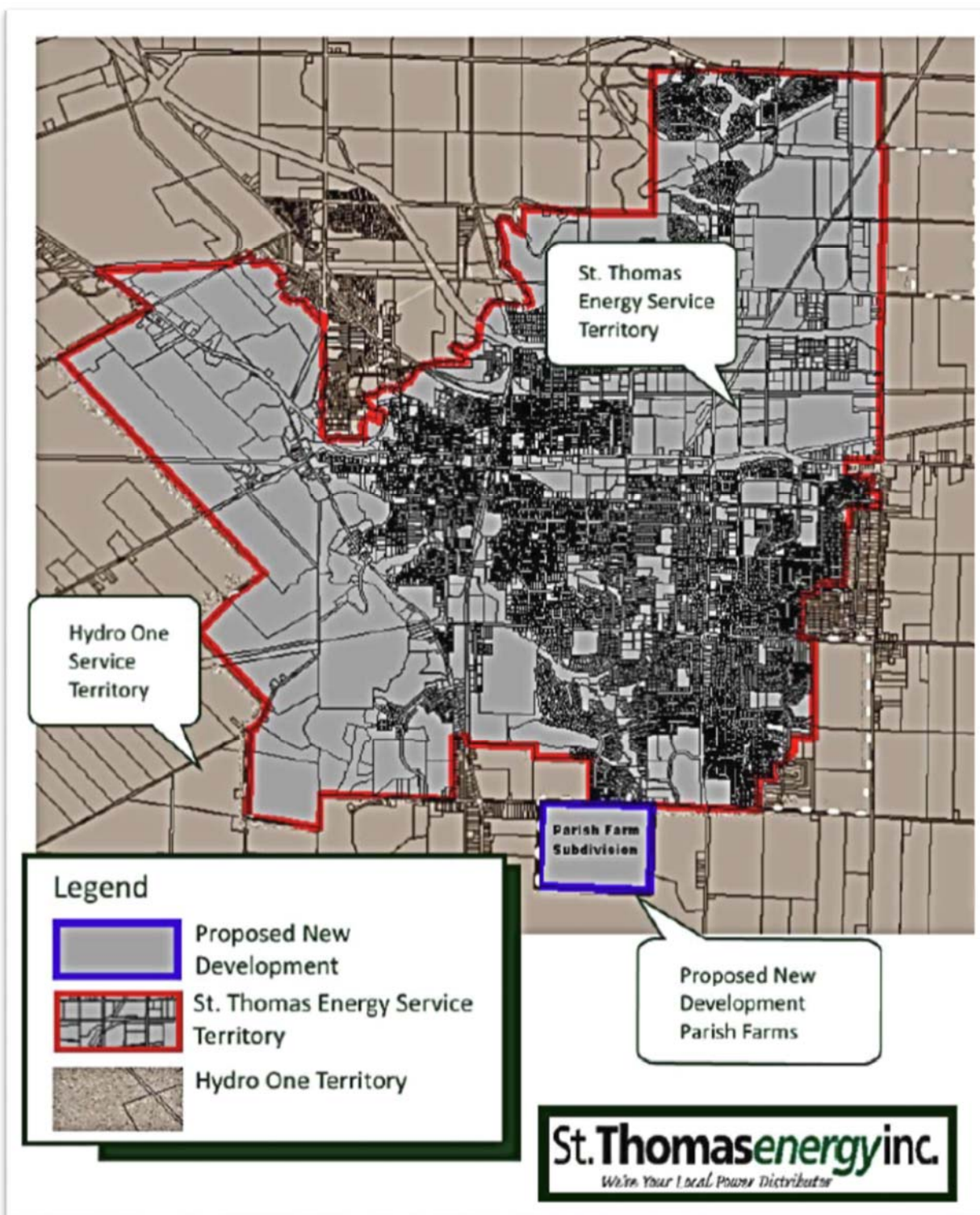


Exhibit 3: Map - Geographical Features surrounding the Area



Exhibit 4: Map - Existing Facilities Supplying the Area

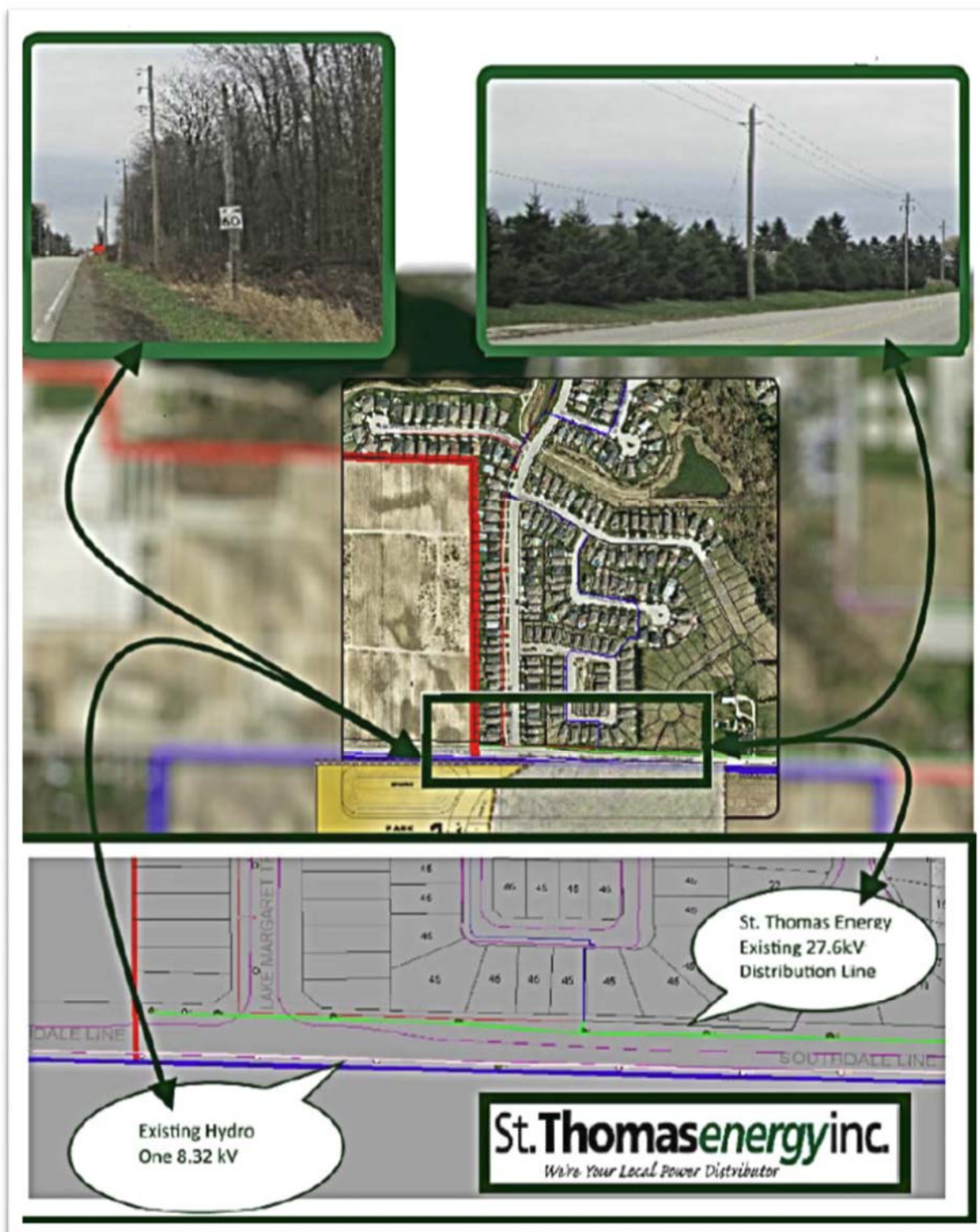


Exhibit 5: Map - City of St. Thomas Municipal Boundary & St. Thomas Energy's Service Territory

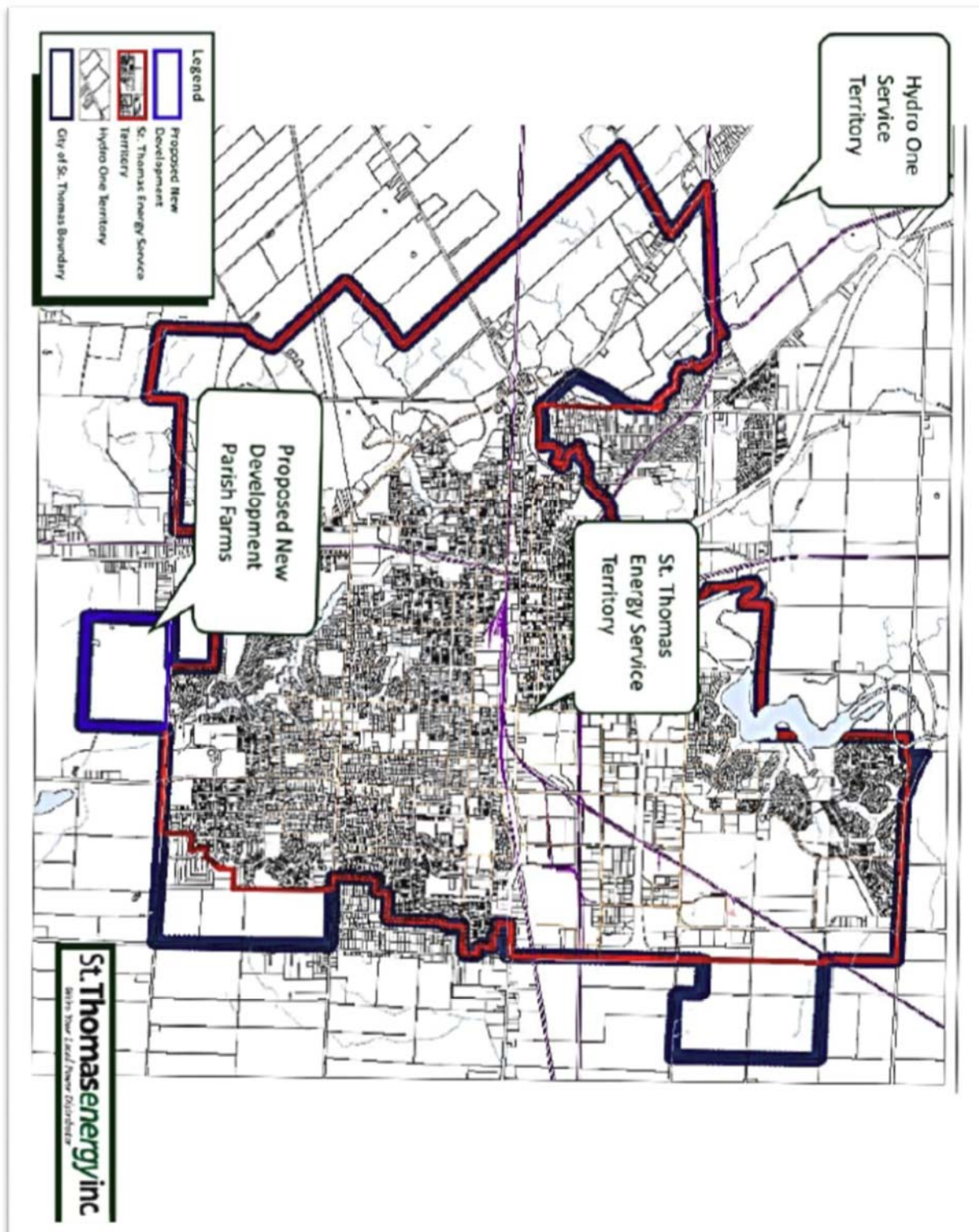


Exhibit 6: Sample monthly bill statements (Applicant & Incumbent)

SAMPLE MONTHLY BILL STATEMENT St. Thomas Energy Inc. - Main	
Account Number: 000 000 000 000 0000	
Meter Number: 00000000	
Your Electricity Charges	
Electricity (what is this charge?)	
Off-Peak @ 8.00 ¢/kWh	35.84
Mid-Peak @ 12.200 ¢/kWh	15.37
On-Peak @ 16.100 ¢/kWh	20.29
Delivery (what is this charge?)	33.93
Regulatory Charges (what is this charge?)	4.40
Debt Retirement Charge (what is this charge?)	4.90
Total Electricity Charges	\$114.73
HST	14.91
Subtotal	\$129.64
Ontario Clean Energy Benefit (-10%) (what is this?)	(-12.96)
Total Amount	\$116.68



SAMPLE MONTHLY BILL STATEMENT Hydro One Networks Inc. - Residential - Medium Density (R1) - Residential - Medium Density (R1)	
Account Number: 000 000 000 000 0000	
Meter Number: 00000000	
Your Electricity Charges	
Electricity (what is this charge?)	
Off-Peak @ 8.00 ¢/kWh	35.84
Mid-Peak @ 12.200 ¢/kWh	15.37
On-Peak @ 16.100 ¢/kWh	20.29
Delivery (what is this charge?)	65.71
Regulatory Charges (what is this charge?)	4.54
Debt Retirement Charge (what is this charge?)	4.90
Total Electricity Charges	\$146.65
HST	19.06
Subtotal	\$165.72
Ontario Clean Energy Benefit (-10%) (what is this?)	(-16.57)
Total Amount	\$149.14

Exhibit 7: Correspondence between Applicant & Incumbent

St. Thomas energy inc.
We're Your Local Power Distributor
a division of **Ascent**

May 4, 2015

Hydro One Networks Inc.
Attn: Mr. Doug Fraser
483 Bay Street
North Tower, 14th Floor
Toronto, Ontario
M5G 2P5

Dear Mr. Fraser,

SUBJECT: Parish Farm Development Phase 1

We would like to advise you that St. Thomas Energy has received a letter asking us to provide the electrical service for the Parish Farm Development. Although this property is within the municipal boundary of the City of St. Thomas, it lies within the electrical service territory of Hydro One. The developer has received Offers to Connect from both Hydro One Networks and St. Thomas Energy.

To carry out the preference of the developer to have St. Thomas Energy provide the electrical service we will be submitting a Service Area Amendment (SAA) to the Ontario Energy Board.

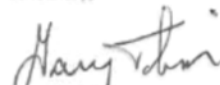
The address of this potential development is:

Parish Farm Development
Part of Lots 5 and 6, Concession 6
Geographic Township of Yarmouth
City of St. Thomas
County of Elgin

Known locally as
43209 Southdale Line
St. Thomas, Ontario
N5R 6G1

Please advise if you need any additional information. We are looking to expedite the SAA to accommodate the developer's timeline.

Sincerely,


Gary Tobin
President & COO



135 Edward Street, St. Thomas, ON N5P 4A8 Tel: 519-631-5550 Fax: 519-631-4771
Mailing Address: P.O. Box 460, Stn. Main, St. Thomas, ON N5P 3V2

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Exhibit 7 (Continuation: HONI Letter of Consent)

Hydro One Networks Inc.
7th 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 3, 2015

Gary Tobin
President and COO
St. Thomas Energy Inc.
P.O. Box 460 Stn. Main, 135 Edward Street
St. Thomas, ON N5P 3V2

Dear Mr. Tobin:

St. Thomas Energy Inc. Application for Licence Amendment

This is to confirm that Hydro One Networks Inc. ("Hydro One") supports your application to amend St. Thomas Energy Inc.'s ("STEI") Distribution Licence as proposed in STEI's service area amendment application and listed below for ease of reference:

Part of Lots 5 and 6, Concession 6, Geographic Township of Yarmouth as in E390923, now in the City of St. Thomas, County of Elgin..

Also, Hydro One supports STEI's request to proceed with this service area amendment without a hearing.

For further communications regarding this application, please contact Pasquale Catalano, at 416-345-5405 or alternatively via email at regulatory@hydroone.com.

Sincerely,

ORIGINAL SIGNED BY PASQUALE CATALANO ON BEHALF OF JOANNE RICHARDSON

Joanne Richardson

Exhibit 8: Customer Permission to Share Information about Development

St. Thomas energy inc.
We're Your Local Power Distributor
a division of Ascent

January 27, 2014

Doug Tarry Limited
Attn: Mr. Greg Tarry
358 Elm Street
St. Thomas, Ontario
N5P 1K1

Dear Mr. Tarry,

SUBJECT: Parish Farm Development


Thank you for your letter asking St. Thomas Energy to provide the electrical service for the Parish Farm Development. Although this property is within the municipal boundary of the City of St. Thomas, it lies within the electrical service territory of Hydro One.

To carry out your preference to have St. Thomas Energy provide this service, we will need to submit a Service Area Amendment (SAA) to the Ontario Energy Board. It is our intention to file this request. As the applicant for the SAA we are obligated to obtain and share details of this development with Hydro One and the Ontario Energy Board. Also, as part of this process Doug Tarry Limited must provide Hydro One an opportunity to make an Offer to Connect. Their contact is: Doug Fraser, Account Executive, 483 Bay Street, North Tower 14th Floor, Toronto ON, M5G 2P5.


We would appreciate it if you would sign below to indicate your permission for St. Thomas Energy to share your development information. Among other things this would include:



- Your letter requesting St. Thomas Energy provide the electrical service
- A detailed map of the subdivision showing the proposed lot layouts

Sincerely,


Brian Hubert, C. Tech.
Engineering Supervisor

Agreed to by:

Signature: 
Greg Tarry

135 Edward Street, St. Thomas, ON N5P 4A8 Tel: 519-631-5550 Fax: 519-631-4771
Mailing Address: P.O. Box 460, Stn. Main, St. Thomas, ON N5P 3V2

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Exhibit 9: Customer Preference Letter for Electrical Provider


 <p>Doug Tarry Limited 358 Elm Street St. Thomas, Ontario N5P 1K1</p> <p>Phone: (519)631-9300 Fax: (519)631-3583</p>	<p>April 28, 2015</p> <p>St. Thomas Energy Inc. Attn: Mr. Brian Hubert, C.Tech., Engineering Supervisor PO Box 460, Stn. Main 135 Edward Street St. Thomas, ON N5P 3V2</p> <p><u>Re: Parish Farm Development</u> Part of Lots 5 and 6, Concession 6 Geographic Township of Yarmouth City of St. Thomas County of Elgin</p> <p>Known locally as: 43209 Southdale Line St. Thomas, Ontario N5R 6G1</p> <p>Dear Mr. Hubert</p> <p>Doug Tarry Limited is the legal owner and developer of the Parish Farm Estate, and is proposing to begin developing this site in the fall of 2015 for Phase 1 of this development. Phase 1 would include fourteen semi-detached units, twenty-six single family residences as well as a storm water management facility. There was a boundary adjustment completed within the City of St. Thomas on January 1, 2006 after a series of growth related studies were completed, and this property along with others, were annexed into the City at that time. This property is now known municipally as Urban Expansion Area 3.</p> <p>We have received and reviewed Offers to Connect from both Hydro One Networks Inc. and St. Thomas Energy Inc. It is the preference of this company that St. Thomas Energy Inc. (STEI) service this site through your electrical distribution system, as a direct connection would be made to the existing subdivision, Lake Margaret Estates, to the north.</p> <p>Please receive this letter as a formal request that:</p> <ul style="list-style-type: none">• STEI become the electrical provider for this two hundred acre site; and• that STEI pursue the submission of an Electrical Service Area Amendment application through the Ontario Energy Board. <p>It is our wish that STEI service not only Phase 1 of Parish Farm, but include all eight phases in this request. This is to avoid unnecessary iterations of the Service Area Amendment process and save all parties involved time and money.</p> <p>There are several reasons for selecting STEI to develop this property that will enhance the market appeal to potential home buyers. These are:</p>
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Exhibit 9 – page 2 (Continuation)

- STEI electricity rates are lower than Hydro One's which will mean lower electricity costs for the home owners.
- Although both Offers to Connect do not require a Capital Contribution from our company, the STEI costs to develop this subdivision are lower which will translate into lower rates for home owners in the longer term.
- Home owners will receive a faster response during electrical outages as the STEI crews are local.
- The reliability of the STEI system is much higher than that of Hydro One so home owners will see less interruption to their electrical service.
- STEI has better customer service, including a front office in St. Thomas that is open to residents.
- Customers will have the convenience of receiving a single combined bill for electricity, water and sewer charges.

Doug Tarry Limited appreciates your efforts to start this process and would kindly ask to be updated periodically on the status of this application.

Thank you in advance for your review of this matter.

If you have any questions or concerns with any of the above noted information, please contact the undersigned at 519-631-9300 ext. 60.

Kindest Regards,



per / Mr. Greg Tarry
Doug Tarry Limited

cc. John Dewanker P.Eng., Director, Environmental Services & City Engineer,
City of St. Thomas

Exhibit 10: City of St. Thomas Preference Letter for Electrical Provider

OFFICE OF THE MAYOR



545 Talbot Street • P.O. Box 520 City Hall • St. Thomas, Ontario N5P 3V7
Tel: (519) 631-1680 or Fax: (519) 633-9019

The City of St. Thomas
PO Box 520
545 Talbot Street
St. Thomas, ON
N5P 3V7

May 4, 2015

Ontario Energy Board
C/O St. Thomas Energy
PO Box 460, Stn. Main
135 Edward Street
St. Thomas, ON
N5P 3V2

Re: Parish Farm Development Phase 1 Electrical Services

The City of St. Thomas was copied on a letter from Doug Tarry Limited to St. Thomas Energy Inc. (STEI) regarding the electrical servicing of the Parish Farm Development. It is the preference of the developer that these services be provided by STEI. While this development is within the municipal boundary of the City of St. Thomas, it lies in the electrical service territory of Hydro One Networks.

I am writing to convey that the City of St. Thomas supports this request by the developer. There are a number of reasons for this position as follows:

- STEI bills water and sewer charges for the City. Combining these on the electricity bill reduces the City's costs which means lower rates for our residents
- There will be less confusion for residents who would otherwise have to call STEI for water and sewer issues and then call Hydro One for electricity issues. For the current combined bill residents STEI handles all their inquiries
- We'd like our residents to be treated in a consistent manner, and avoid a home owner having higher rates simply because they live across the street from their neighbour
- STEI has better customer service, including a front office in St. Thomas that is open to residents. Over 1,500 customers a month use the front office service
- STEI electricity rates are lower than Hydro One's which will mean lower electricity costs for our residents
- Home owners will receive a faster response during electrical outages as the STEI crews are local

Exhibit 10: page 2 (Continuation)

- The reliability of the STEI system is also much higher than that of Hydro One so consumers will see less interruption to their electrical service.

While the City of St. Thomas understands that the Ontario Energy Board has numerous criteria upon which a decision for a Service Area Amendment is based, this letter has been provided to the OEB to give a voice to the future residents of the subdivision who will ultimately become residents of St. Thomas and rate payers of an electric distributor. It is our humble opinion that given the reasons listed above, these future residents would choose St. Thomas Energy Inc. as their electricity distributor.

Please contact my office for any further information.

Sincerely,



Mayor Heather Jackson

Exhibit 11: Applicant Offer to Connect and Financial Evaluation



April 14, 2015

Ms. Nicole Ooms, C.P.T.,
Doug Tarry Limited,
358 Elm Street,
St. Thomas ON N5R 1K1

Dear Madam;

St. Thomas Energy Inc. Offer to Connect for the Electrical Distribution System Servicing for Parish Farm Subdivision Phase 1

This letter is in response to your request for electrical servicing for the above-mentioned development. The following information has been prepared using the same approach as the Hydro One Networks Inc. Multi-Service Connection Cost Agreement for comparative purposes. Electrical servicing of the proposed development requires an expansion to the existing St. Thomas Energy Inc. (STEI) electrical distribution system. This letter and the attached schedules will serve as the STEI Offer to Connect for **Parish Farm Subdivision Phase 1**.

The capital infrastructure required to provide the electrical distribution system services is identified in the attached schedules. This offer does not include any streetlight costs, which will be identified in the Electrical Distribution Systems (EDS) Services Agreement. The preliminary design completed by STEI is consistent with STEI design standards and based on the information provided by the Developer.

The estimated capital costs identified in the attached schedules have been used to complete a preliminary economic evaluation for this system expansion. These capital costs will include the costs for infrastructure within the Plan of Subdivision, Area Specific Infrastructure and Upstream Infrastructure plus any other associated costs as determined by STEI. The economic evaluation model used to perform this calculation is consistent with the Ontario Energy Board methodology identified in the "Distribution System Code".

The preliminary economic evaluation for this system expansion for options A and B has identified that there is no shortfall between the costs and the revenue associated with this development, therefore no capital contribution is required from Doug Tarry Limited ("Developer"). Option C has been provided to show our traditional process where STEI completes all of the work.

While this Offer is limited to Phase 1 of the Parish Farm Subdivision, we have conducted an analysis of the infrastructure necessary to service the entire two hundred acre / 1000 lot development and remain confident that the existing STEI distribution system on Southdale Line (27.6 kV feeder) has sufficient capacity to supply the entire development without triggering the need for an additional financial contribution to fund feeder upgrades or future voltage conversion.

STEI is responsible for the preliminary planning, design and engineering specifications of the work required to supply EDS services. All EDS services shall be constructed in accordance with STEI "Electrical Distribution Design and Construction Standards" and all applicable municipal, provincial and federal bylaws and legislation. STEI must have the municipal numbering from the City Clerk's Office prior to the installation of the transformers and cable terminations.



135 Edward Street, St. Thomas, ON N5P 4A8 Tel: 519-631-5550 Fax: 519-631-4771
Mailing Address: P.O. Box 460, Stn. Main, St. Thomas, ON N5P 3V2

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Exhibit 11: Page 2 (Continuation)

April 14, 2015 | 2
Parish Farm Subdivision Phase 1 - Offer to Connect

When easements are required, STEI must also have a copy of the Registered Plan and the registered Transfer Deed of Land document, prior to releasing the Security Deposit and settling the final payment amount. All correspondence regarding easements should be sent to:

Attention: Mr. K. Stewart Bowsher, B.A., LL.B.
bowsher + bowsher
Law Firm
2 Second Avenue,
St. Thomas, ON N5R 5S7
ph 519-633-3301
fax 519-633-5995
e-mail: traceym@bowsherandbowsher.ca

Although this development is within the City of St. Thomas municipal limits, it is currently outside of St. Thomas Energy Inc.'s service territory. We understand that you have already received Hydro One Networks Inc. Multi-Service Connection Cost Agreement which also outlines their costs and requirements. Please take the time to review and consider both Hydro One's Offer and St. Thomas Energy's Offer. Upon your comparison we would appreciate that you notify our office in writing as soon as practical of your preference to have either St. Thomas Energy Inc. or Hydro One Networks Inc. be the electrical provider. It is also important that you include your anticipated timeframe for having the electrical services installed. Upon receipt of notice from you of your preference for St. Thomas Energy Inc. to be the electrical provider for this development, we will apply to the Ontario Energy Board (OEB) for a Service Area Amendment (SAA) to include this development within our service territory. The SAA process can take several months and will ultimately be decided by the Ontario Energy Board. If STEI supplies this development we will require the Developer to enter into an electrical distribution system servicing agreement and provide the necessary security in the form of an irrevocable Letter of Credit or certified cheque. This is required prior to ordering materials or commencing work.

If St. Thomas Energy Inc. becomes the electrical provider, the Developer can select one of the following options:

Option A: Developer performs the Contestable Work (Civil Work) and STEI performs the Non-Contestable Work and the Optional Contestable Work as shown in Schedule A; or

Option B: Developer performs the Contestable Work (Civil Work) and the Optional Contestable Work and STEI performs the Non-Contestable Work as shown in Schedule B; or

Option C: STEI performs the Civil Work, the Optional Contestable Work and the Non-Contestable Work as shown in Schedule C, as has been our traditional process.

Sincerely,



Brian Hubert, C.Tech.
Engineering Supervisor
St. Thomas Energy Inc.

Exhibit 11: Page 3 (Continuation)

April 14, 2015 | 3
Parish Farm Subdivision Phase 1 - Offer to Connect

Economic Evaluation Results	Option A	Option B	Option C
Capital Costs and Charges for infrastructure within the Subdivision	\$78,894.60	\$37,754.25	\$124,054.52
Operating and Maintenance Costs over 25 year revenue horizon	\$65,346.54	\$65,346.54	\$65,346.54
Total Cost of Connection = Capital Cost + O&M	\$144,241.14	\$103,100.79	\$189,401.06
Total Revenue over the 25 year horizon	\$268,616.50	\$268,616.50	\$268,616.50
Total Tax Costs over the 25 year horizon	\$50,898.80	\$50,898.80	\$50,898.80
Developer Contribution Required for the Connection (the "Shortfall" – a comparison of the overall revenue against the overall capital costs)	\$0.00 No capital contribution required	\$0.00 No capital contribution required	\$32,698.34 Capital contribution required
Pre-paid deposits, design fees and approvals	\$0.00	\$0.00	\$0.00
Incremental transformer cost and site inspection	\$0.00	\$0.00	\$0.00
Average Cost per Service = Total Cost of Connection ÷ Number of Services (42)	\$3,434.31	\$2,454.78	\$4,509.55
Developer Security Deposit	\$75,387.60	\$34,247.25	\$108,922.52

Exhibit 11: Page 4 (Continuation)

April 14, 2015 | 4
Parish Farm Subdivision Phase 1 - Offer to Connect

Schedule A – Option A for Parish Farm Subdivision Phase 1

Option A

Description of Non-Contestable Work STEI MUST perform;

- 1) Perform make-ready work on existing STEI powerlines to re-frame the existing cable riser pole
- 2) Termination of all primary and secondary cables within the electrical distribution system
- 3) Supply and install pad-mounted transformers, including elbows, arrestors and fault indicators
- 4) Install municipal numbering, equipment numbering, signs, locks and phase markings on transformers and poles
- 5) Connection of grounds to transformers
- 6) Install switching/isolation of existing STEI facilities
- 7) Perform inspection

Description of Optional Contestable Work STEI or Developer can perform. In this option STEI will perform this work;

- 1) Supply and install all primary cables within the electrical distribution system
- 2) Supply and install all secondary cables from the transformer to the house meter within the electrical distribution

Description of Contestable Work (Civil Work) Developer MUST perform;

- 1) Provide layout for trenches and transformers and provide grade stakes for transformers
- 2) Excavate and backfill all trenches complete with sand padding throughout
- 3) Supply and install crushed stone base for transformer complete with ground wire and ground rods
- 4) Supply and install pre-cast concrete foundations for pad-mounted transformers
- 5) Supply and install all ducts, including concrete encased road-crossings

Exhibit 11: Page 5 (Continuation)

		April 14, 2015	5
		Parish Farm Subdivision Phase 1 - Offer to Connect	
1	Non-Contestable Work	TOTAL	
	Engineering & Design		
1.1	Design Costs	\$5,366.13	
	Total Cost Section 1.1	\$5,366.13	
	Remaining Balance Section 1.1	\$0.00	
2	Cost of Non-Contestable Work		
2.1	Non-Contestable Subdivision Costs		
	Material	\$4,391.63	
	Labour	\$4,391.63	
	Equipment, transformers	\$11,625.00	
	Secondary Service Connections	\$13,839.00	
	Upstream Infrastructure	\$3,507.00	
	Administration & Overheads	\$0.00	
	Total Cost Section 2.1	\$37,754.25	
		\$37,754.25	
	Remaining Balance Section 2.1	\$0.00	
2.2	Optional Contestable Subdivision Costs		
	Primary Cable Material	\$4,366.71	
	Labour	\$4,366.71	
	Equipment	\$0.00	
	Administration & Overheads	\$0.00	
	Cost To Connect To An Existing Powerline	\$0.00	
	Total Cost Section 2.2	\$8,733.42	
		\$8,733.42	
3	Optional Contestable Subdivision Costs		
3.1	Non-Contestable Line Expansion Costs		
	Secondary Cable Material	\$13,520.40	
	Labour	\$13,520.40	
	Equipment	\$0.00	
	Administration & Overheads	\$0.00	
3.2	Cost To Connect To An Existing Powerline	\$0.00	
	Total Cost Section 3.1	\$27,040.80	
	Less Revenue Support Applied To This Section	\$0.00	
4	Cost of Non-Contestable and Optional Contestable Work	\$78,894.60	
4.1	Contestable Subdivision Costs		
	Trenching	\$22,426.65	
	Utility Road Crossings	\$9,595.00	
	Transformer Bases	\$5,700.00	
	Primary Ductwork	\$13,882.50	
	Administration & Overheads	\$0.00	
	Total Cost Section 4.1	\$51,604.15	
	Less: Revenue Support Applied To This Section	\$0.00	
	Remaining Balance Section 4.1	\$51,604.15	
Option A -			
	STEI Performs Non-Contestable Work and Optional Contestable Work	\$78,894.60	
	Developer Performs Contestable Work	\$51,604.15	

Exhibit 11: Page 6 (Continuation)

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Parish Farm Subdivision Phase 1 - Offer to Connect

Schedule B – Option B for Parish Farm Subdivision Phase 1

Option B

Description of Non-Contestable Work STEI MUST perform:

- 1) Perform make-ready work on existing STEI powerlines to re-frame the existing cable riser pole
- 2) Termination of all primary and secondary cables within the electrical distribution system
- 3) Supply and install pad-mounted transformers, including elbows, arrestors and fault indicators
- 4) Install municipal numbering, equipment numbering, signs, locks and phase markings on transformers and poles
- 5) Connection of grounds to transformers
- 6) Install switching/isolation of existing STEI facilities
- 7) Perform inspection

Description of Optional Contestable Work STEI or Developer can perform. In this option the Developer will perform this work:

- 1) Supply and install all primary cables within the electrical distribution system
- 2) Supply and install all secondary cables from the transformer to the house meter within the electrical distribution

Description of Contestable Work (Civil Work) Developer MUST perform:

- 1) Provide layout for trenches and transformers and provide grade stakes for transformers
- 2) Excavate and backfill all trenches complete with sand padding throughout
- 3) Supply and install crushed stone base for transformer complete with ground wire and ground rods
- 4) Supply and install pre-cast concrete foundations for pad-mounted transformers
- 5) Supply and install all ducts, including concrete encased road-crossings

Exhibit 11: Page 7 (Continuation)

		April 14, 2015	7
		Parish Farm Subdivision Phase 1 - Offer to Connect	
	Non-Contestable Work	TOTAL	
1	Engineering & Design		
1.1	Design Costs	\$0.00	
	Total Cost Section 1.1	\$0.00	
	Remaining Balance Section 1.1	\$0.00	
2	Cost of Non-Contestable Work		
2.1	Non-Contestable Subdivision Costs		
	Material	\$4,391.63	
	Labour	\$4,391.63	
	Equipment, transformers	\$11,625.00	
	Secondary Service Connections	\$13,839.00	
	Upstream Infrastructure	\$3,507.00	
	Administration & Overheads	\$0.00	
	Total Cost Section 2.1	\$37,754.25	
	Remaining Balance Section 2.1	\$37,754.25	
		\$0.00	
2.2	Optional Contestable Subdivision Costs		
	Primary Cable Material	\$0.00	
	Labour	\$0.00	
	Equipment	\$0.00	
	Administration & Overheads	\$0.00	
	Cost To Connect To An Existing Powerline	\$0.00	
	Total Cost Section 2.2	\$0.00	
		\$0.00	
3	Optional Contestable Subdivision Costs		
3.1	Non-Contestable Line Expansion Costs		
	Secondary Cable Material	\$0.00	
	Labour	\$0.00	
	Equipment	\$0.00	
	Administration & Overheads	\$0.00	
3.2	Cost To Connect To An Existing Powerline	\$0.00	
	Total Cost Section 3.1	\$0.00	
	Less Revenue Support Applied To This Section	\$0.00	
4	Cost of Non-Contestable and Optional Contestable Work	\$37,754.25	
4.1	Contestable Subdivision Costs		
	Trenching	\$22,426.65	
	Utility Road Crossings	\$9,595.00	
	Transformer Bases	\$5,700.00	
	Primary Ductwork	\$13,882.50	
	Primary Cable System	\$8,733.42	
	Secondary Cable System	\$27,040.80	
	Administration & Overheads	\$0.00	
	Total Cost Section 4.1	\$87,378.37	
	Less: Revenue Support Applied To This Section	\$0.00	
	Remaining Balance Section 4.1	\$87,378.37	
	Option B -		
	STEI Performs Non-Contestable Work	\$37,754.25	
	Developer Performs Contestable Work and Optional Contestable Work	\$87,378.37	

Exhibit 11: Page 8 (Continuation)

April 14, 2015 | 8
Parish Farm Subdivision Phase 1 - Offer to Connect

Schedule C – Option C for Parish Farm Subdivision Phase 1

Option C

Description of Non-Contestable Work STEI MUST perform;

- 1) Perform make-ready work on existing STEI powerlines to re-frame the existing cable riser pole
- 2) Termination of all primary and secondary cables within the electrical distribution system
- 3) Supply and install pad-mounted transformers, including elbows, arrestors and fault indicators
- 4) Install municipal numbering, equipment numbering, signs, locks and phase markings on transformers and poles
- 5) Connection of grounds to transformers
- 6) Install switching/isolation of existing STEI facilities
- 7) Perform inspection

Description of Optional Contestable Work STEI or Developer can perform. In this option STEI will perform this work;

- 1) Supply and install all primary cables within the electrical distribution system
- 2) Supply and install all secondary cables from the transformer to the house meter within the electrical distribution

Description of Contestable Work (Civil Work). In this option STEI will perform this work;

- 1) Provide layout for trenches and transformers and provide grade stakes for transformers
- 2) Excavate and backfill all trenches complete with sand padding throughout
- 3) Supply and install crushed stone base for transformer complete with ground wire and ground rods
- 4) Supply and install pre-cast concrete foundations for pad-mounted transformers
- 5) Supply and install all ducts, including concrete encased road-crossings

Exhibit 11: Page 9 (Continuation)

		April 14, 2015	9
		Parish Farm Subdivision Phase 1 - Offer to Connect	
1	Non-Contestable Work	TOTAL	
	Engineering & Design		
1.1	Design Costs	\$11,256.56	
	Total Cost Section 1.1	\$11,256.56	
	Remaining Balance Section 1.1	\$0.00	
2	Cost of Non-Contestable Work		
2.1	Non-Contestable Subdivision Costs		
	Material	\$4,391.63	
	Labour	\$4,391.63	
	Equipment, transformers	\$11,625.00	
	Secondary Service Connections	\$13,839.00	
	Upstream Infrastructure	\$3,507.00	
	Administration & Overheads	\$0.00	
	Total Cost Section 2.1	\$37,754.25	
	Remaining Balance Section 2.1	\$37,754.25	
	Remaining Balance Section 2.1	\$0.00	
2.2	Optional Contestable Subdivision Costs		
	Primary Cable Material	\$4,366.71	
	Labour	\$4,366.71	
	Equipment	\$0.00	
	Administration & Overheads	\$0.00	
	Cost To Connect To An Existing Powerline	\$0.00	
	Total Cost Section 2.2	\$8,733.42	
	Remaining Balance Section 2.2	\$8,733.42	
3	Optional Contestable Subdivision Costs		
3.1	Non-Contestable Line Expansion Costs		
	Secondary Cable Material	\$13,520.40	
	Labour	\$13,520.40	
	Equipment	\$0.00	
	Administration & Overheads	\$0.00	
3.2	Cost To Connect To An Existing Powerline	\$0.00	
	Total Cost Section 3.1	\$27,040.80	
	Less Revenue Support Applied To This Section	\$0.00	
4	Cost of Non-Contestable and Optional Contestable Work	\$84,785.03	
4.1	Contestable Subdivision Costs		
	Trenching	\$10,091.99	
	Utility Road Crossings	\$9,595.00	
	Transformer Bases	\$5,700.00	
	Primary Ductwork	\$13,882.50	
	Administration & Overheads	\$0.00	
	Total Cost Section 4.1	\$39,269.49	
	Less: Revenue Support Applied To This Section	\$0.00	
	Remaining Balance Section 4.1	\$39,269.49	
	Option C -		
	STEI Performs Non-Contestable Work and Optional Contestable Work and Contestable Work	\$124,054.52	
	Developer is not Responsible for any Work	\$0.00	

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