

Hydro One Networks Inc.

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Oded Hubert

Vice President
Regulatory Affairs



BY COURIER

September 2, 2015

Mr. David Richmond
Manager, Facilities & Infrastructure
Ontario Energy Board
Suite 2700, 2300 Yonge Street
Toronto, ON M4P 1E4

Dear Mr. Richmond:

Installation of Customer Surge Arresters on Transmitter's Side of Isolating Disconnect Switch

Please find attached Hydro One Networks Inc.'s ("Hydro One") application for an exemption from section 1.2.1 in Schedule E of Appendix 1 of the Transmission System Code, which sets out certain requirements pertaining to the demarcation point between a transmitter and a transmission customer, so that:

- (a) Hydro One may enter into a connection agreement with certain proposed customers on terms and conditions other than those set forth in the said section 1.2.1; and
- (b) certain connection agreements already entered into by Hydro One with customers may be amended so that they contain terms and conditions other than those set forth in the said section 1.2.1.

Also attached is a letter from the Independent Electricity System Operator in support of the said application.

Please do not hesitate to contact me, or Philip Poon at (416) 345-5064, if there are any questions.

Sincerely,

ORIGINAL SIGNED BY ODED HUBERT

Oded Hubert

attach

- c. Andres Mand, Ontario Energy Board
Ahmed Maria, Independent Electricity System Operator

1
2 **IN THE MATTER OF** the *Ontario Energy Board Act, 1998*, S.O.
3 1998, c. 15, Schedule B;
4

5 **AND IN THE MATTER OF** an application by Hydro One
6 Networks Inc. for an order exempting Hydro One Networks Inc.
7 from the requirements of Section 1.2.1 of Appendix 1 of the
8 Transmission System Code with respect to certain customer
9 connections
10

11 **APPLICATION**
12

- 13 1. Hydro One Networks Inc. (“Hydro One”) is an Ontario transmitter licensed by the Ontario
14 Energy Board (“the Board”).
15
- 16 2. Section 4.1.2 of the Transmission System Code (“the Code”) of the Board states:
17 A transmitter may not enter into a connection agreement on terms and conditions other than
18 those set forth in the applicable version of the connection agreement set out in Appendix 1 or
19 amend the terms and conditions of a connection agreement relative to the terms and
20 conditions set forth in the applicable version of the connection agreement set out in Appendix
21 1 except as expressly contemplated in the applicable version of the connection agreement set
22 out in Appendix 1 or with the prior approval of the Board.
23
- 24 3. Hydro One hereby applies to the Board, pursuant to the said s. 4.1.2 of the Code, for an
25 exemption from the requirements of s. 1.2.1 in Schedule E of Appendix 1 of the Code, so
26 that:
27 (a) Hydro One may enter into a connection agreement with certain proposed customers on
28 terms and conditions other than those set forth in the said s. 1.2.1; and
29 (b) certain connection agreements already entered into by Hydro One with customers may
30 be amended so that they contain terms and conditions other than those set forth in the
31 said s. 1.2.1.

1 4. Specifically, Hydro One asks the Board for an exemption so that the said connection
2 agreements will not prohibit the said customers' surge arresters from being installed on the
3 line side (the transmitter's side) of the isolating disconnect switch ("IDS"), rather than
4 requiring the surge arresters to be installed on the customer's side. This would be
5 accomplished by relocating the demarcation point from the jaw of the IDS to the point
6 where Hydro One's line conductor connects to the customer's drop lead connecting to the
7 customer's facilities (e.g., surge arrester, IDS, etc., as depicted in Figure 3 in the attached
8 Schedule "A"). This would typically require relocating the demarcation point a distance of
9 several metres. Hydro One notes that both the IDS and the surge arresters would typically
10 continue to reside on the customer's property. [Please see Schedule "A" also for Figure 1
11 (showing a single line diagram of the Code's standard configuration) and Figure 2 (showing
12 a single line diagram of the proposed configuration).]

13
14 5. Hydro One is asking for the exemption because, in the case of the said proposed customers
15 and the said existing customers, the configuration is such that the surge arresters are on the
16 transmitter's side of the IDS.

17
18 6. Section 1.2.1 in Schedule E of Appendix 1 of the Code requires the customer to provide the
19 IDS at the point of interconnection with the transmitter (the "demarcation point").

20
21 7. If the Board grants the exemption being requested, the configuration that would be
22 permitted would represent a very minor non-impactive adjustment to the standard
23 configuration set out in the Code. Furthermore:

24
25 (a) locating each customer's surge arrester on the transmitter's side of the IDS has no
26 material impact on the transmission system in terms of reliability, operations,
27 maintenance or safety, and the Independent Electricity System Operator ("IESO")
28 has confirmed its agreement with this statement (a copy of the IESO's letter of
29 support is attached as Schedule "B" to this Application);

1 (b) locating the surge arrester on the customer's side of the IDS would not meet the
2 said customers' requirement to provide surge protection for the IDS;

3
4 (c) relocating the surge arrester to the customer's side of the IDS would typically
5 require major site reconfiguration and, in the case of the proposed connections,
6 would result in significant delay to the project in-service dates; and

7
8 (d) moving the surge arresters would not only be costly but also would not provide
9 any reliability or safety benefits.

10
11 8. Additionally, the configuration that would be permitted if the exemption is granted would
12 result in no additional risk to the transmission system if there were a system failure or a
13 failure of the surge arresters or other customer-owned equipment.

14
15 9. Hydro One will ensure that the said customers are informed of the increased costs and
16 scheduling requirements associated with the opening of the mid-span opener ("MSO") to
17 meet the customers' maintenance and operating needs resulting from the location of the
18 surge arresters under the proposed configuration; and Hydro One will put measures in place,
19 as appropriate, to ensure that there is no increase in maintenance risk to Hydro One staff
20 under the proposed configuration, e.g., operating the MSO only when the line is de-
21 energized.

22
23 10. Therefore, Hydro One respectfully requests that the Board grant the exemption requested in
24 paragraph 3 above and that the Board do so without conducting a hearing, as provided by s.
25 21(4) of the Ontario Energy Board Act, 1998, as no one will be adversely affected by the
26 Board's decision in this matter.

27
28 September 2, 2015

HYDRO ONE NETWORKS INC.

Schedule A

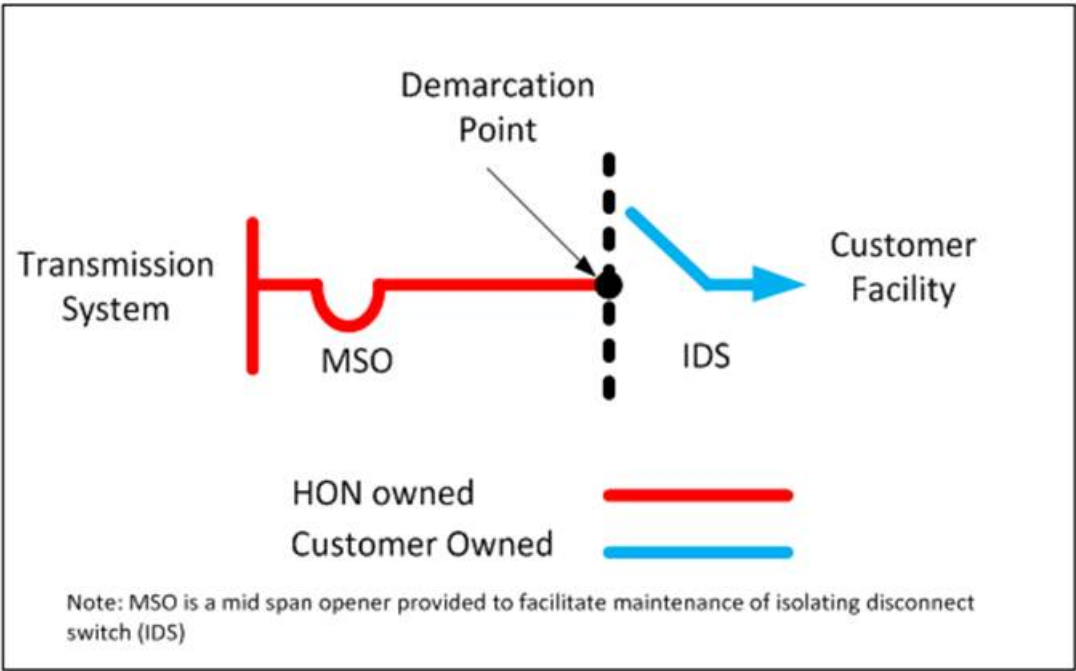


Fig. 1 TSC Standard Configuration

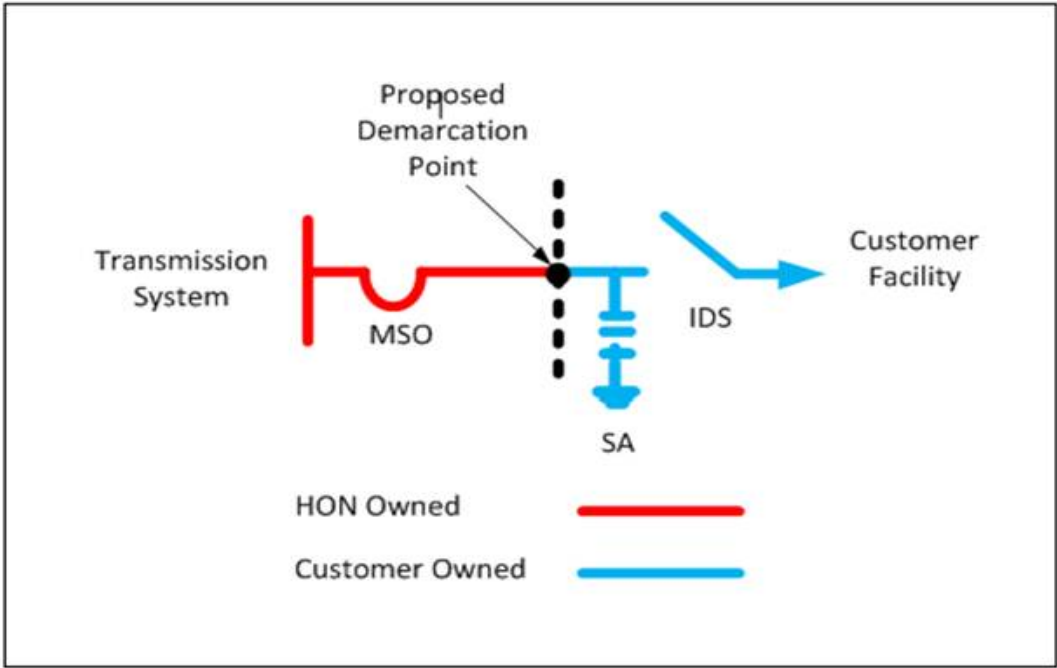


Fig. 2 Proposed Configuration (Single Line)

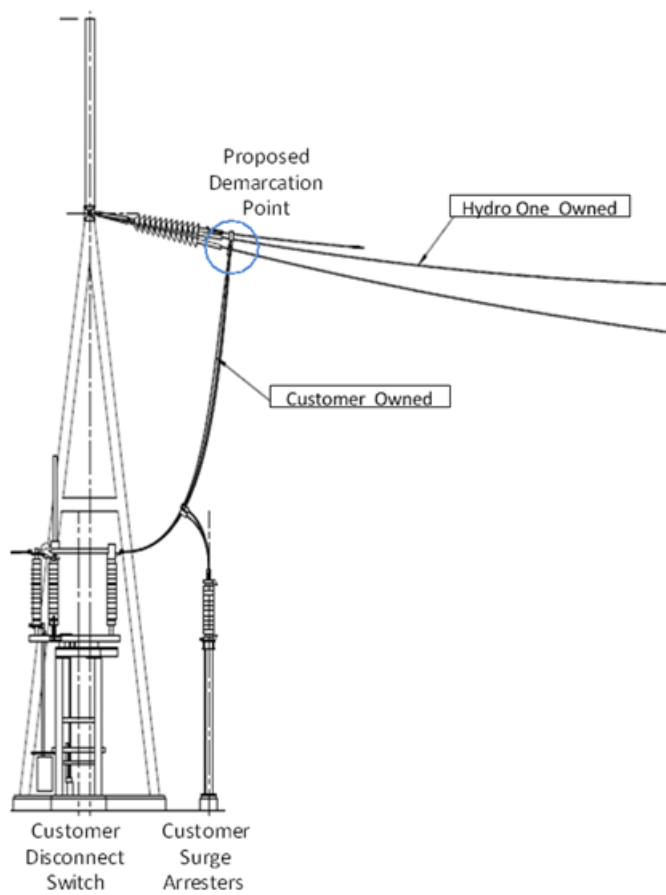


Fig. 3 Proposed Configuration (Physical view from the side)

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2



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August 25, 2015

Farooq A. Qureshy
Manager, Transmission Planning – Central and East
Transmission Planning
Hydro One Networks Inc. (HONI)
483 Bay Street
Toronto, Ontario M5G 2P5

Dear Mr. Qureshy:

Re: Relocation of HONI/Customer Demarcation Point

The IESO has had the opportunity to review and assess the proposed change to the demarcation points of certain transmission customers resulting from the installation of those customers' surge arresters on the line side (i.e., the transmitter's side) of the isolating disconnect switch.

Although the demarcation point is normally at the jaw of the isolating disconnect switch, the IESO has concluded that moving the demarcation point further away from the customer to a point just after the surge arrester will not result in a material adverse impact on the reliability of the integrated power system. The proposal is therefore acceptable to the IESO.

If you have any questions or require further information, please do not hesitate to contact me.

Yours truly,

Ahmed Maria
Manager – Connections & Registration
Telephone: (905) 855-6457
E-mail: ahmed.maria@ieso.ca

cc: IESO Records