

Service Area Amendment (SAA) Application

Erie Thames Powerlines Corporation Distribution Licence ED-2002-0516

Submitted September 24, 2015

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APPLICATION

1. INTRODUCTION

Erie Thames Powerlines Corporation ("Erie Thames") is making an Application to the Ontario Energy Board ("OEB") for the purpose of amending the licenced service area of Erie Thames as described in Schedule 1 of its distribution Licence ED-2002-0516 to include Harrisview Subdivision Phase 2 in Ingersoll ("the Subject Area"), owned by Sifton Properties Ltd. This property is the second phase of a development in Ingersoll, of which Phase 1 was the subject of a previous Service Area Amendment (EB-2011-0085) which was granted to Erie Thames by Order of the OEB in the decision dated November 15, 2011.

The Subject Area is currently within the service territory of Hydro One Networks Inc. (Hydro One), and adjacent to the Erie Thames service area. The Subject Area is owned by Sifton Properties Ltd. ("Developer"), located in the Town of Ingersoll, and is designated for residential development.

The Subject Area is described as Part of Lot 19, Concession 1 (West Oxford), All of Blocks 59 and 63, PLAN 41M-281 in the Town of Ingersoll, and the County of Oxford. Phase 2 does not include Lots 56 to 112 on "Street C", and Lots 119 to 131 on Hollingshead Road, and Blocks 137, 138, 139, and 140. Schedule A – contains a copy of a recent survey plan (9-L-4393) showing both Phase 1 and Phase 2 of this development. To clarify, Phase 1 (EB-2011-0085) included Lots 1 to 30 on Chatfield Street and Lots 31 to 54 on Hollingshead Road. Phase 2 (this application) includes Lots 1 to 10 and Lots 17 to 27 on "Street A", Lots 28 to 39 and Lots 44 to 55 on "Chamberlain Avenue", and Lots 11 to 16 and Lots 40 to 43 and Lots 113 to 118 on the extension of Hollingshead Road.

For the reasons set out herein and those reflected in Decision and Order EB-2011-0085, Erie Thames respectfully submits that it is in the public interest to amend Schedule 1 of its electricity distribution license to delete line 21 which currently reads:

21. Part Lot 19, Concession 1 (West Oxford), Town of Ingersoll

and replace it with the following legal description of the lands (which would include Phase 1 and Phase 2):

21. Part Lot 19, Concession 1 (West Oxford), Town of Ingersoll, Excluding: Lots 56 to 112, Lots 119 to 131, and Blocks 137, 138, 139, and 140

In considering this application, Erie Thames understands that the Board will be guided by the principles articulated in the Board's Filing Requirements for Service Area Amendments, Chapter 7 of the Filing Requirements for Transmission and Distribution Application and the Board's Decision with Reasons in the RP-2003-0044 combined service area amendments proceeding (the "Combined Proceeding"). Erie Thames respectfully submits that this application satisfies those requirements.

Via a letter of support (included as Schedule H), the Developer has indicated that it prefers Erie Thames as the distributor for the Subject Area.

Hydro One has agreed to consent to this SAA application (consent letter included as Appendix G) and the required expansion of Erie Thames' service territory to service the Subject Area. Given the manner in which Schedule 1 of Hydro One's license is presented, it would not need to be amended if this SAA application is approved.

Erie Thames requests that the Board consider this application without a hearing.

2. GENERAL

(a) Contact Information:

The contact information for all affected parties is listed below.

Applicant:

Chris White, President Erie Thames Powerlines Corporation P.O. Box 157, 143 Bell Street Ingersoll, Ontario N5C 3K5 Telephone: 519-485-1820 ext 235 Fax: 519-485-4703 Email address: <u>cwhite@eriethamespowerlines.com</u>

The Incumbent Distributor:

Pasquale Catalano, Regulatory Analyst Hydro One Networks Inc. 483 Bay Street, South Tower, 7th floor Toronto, Ontario M5G 2P5 Telephone: 416-345-5405 Fax: 416-345-5866 Email address: regulatory@HydroOne.com

(There are no other alternate distributors.)

The Registered Owner/Developer:

Matthew Robertson, Land Technician Sifton Properties Ltd. 195 Dufferin Avenue, Suite 800 London, ON N6A 1K7 Telephone: 519-434-3622 ext 237 Fax: 519-434-7693 Email: Matt.Robertson@Sifton.com

(b) Reasons for Amendment:

Erie Thames submits that this application should be granted because the incumbent distributor, Hydro One, has consented to this application. Moreover, Erie Thames submits that the proposed SAA is in the public interest as defined in the Combined Proceeding (RP-2003-0044), and as recently interpreted in EB-2011-0085, for the following reasons:

1. The Developer's preference is that Erie Thames service the Subject Area.

2. The proposed SAA is consistent with the objective of a rational and efficient service area alignment based on both economic and engineering efficiency.

3. The Subject Area (Harrisview Phase 2) is the continuation of the residential subdivision that was started in 2011 (Harrisview Phase 1), which was the subject matter of Decision and Order EB-2011-0085. The electrical infrastructure that was installed for the first phase of the residential subdivision can accommodate the anticipated load within the proposed phase 2 expansion.

4. Erie Thames has infrastructure within close proximity to the Subject Area that can provide the required electrical service with minimal investment. The incumbent distributor (Hydro One) also has infrastructure in relatively close proximity to the property. Following discussions between the two distributors, the parties concluded that Hydro One's costs to service the property are greater than Erie Thames and Hydro One agreed to consent to this SAA application.

5. Erie Thames' connection proposal for the Subject Area is better or comparable to Hydro One's in terms of system planning, safety and service reliability.

6. The proposed SAA will not result in stranded or duplicated assets.

7. The incorporation of the Subject Area Lands into Erie Thames' service area will be seamless. The Subject Area Lands will be adjacent to an existing developed subdivision in Ingersoll and Erie Thames' service territory.

There would be no load transfers created or eliminated as a result of the proposed SAA.

(c) Proposed Service Area - Description:

The Subject Area is generally referred to as Harrisview Subdivision Phase 2, and consists of 61 residential lots on land that is currently vacant. The Developer owns the vacant land to the south which includes approximately 70 additional residential lots (proposed to be Phase 3), and four blocks (137, 138, 139, and 140) which are planned for future development. Schedule B has the Phasing Plan with Phase 2 outlined in red.

(d) Proposed Service Area – Maps and Diagrams:

The following maps, diagrams and pictures are attached as schedules.

Schedule A – Site Plan 9-L-4393 Dated March 20, 2015

Schedule B – Phasing Plan

Schedule C – Erie Thames Existing Infrastructure

Schedule D – Erie Thames Existing Service Boundary

Schedule E – Erie Thames Proposed Infrastructure

Schedule F – Erie Thames Proposed Service Boundary

Collectively, these maps identify the Subject Area, the existing borders of Erie Thames and Hydro One, the area around the Subject Area, and the existing and proposed infrastructure supplying the Subject Area. Some details (such as the exact quantity of lots and locations of lot lines) are subject to change as the development proceeds.

(e) Distribution Infrastructure - Description of Proposed Physical Connection:

The Subject Area is a second phase of a residential subdivision, consisting of 61 lots for single detached homes. When completed and fully occupied, the Subject Area will add approximately 150 kW of load to the Erie Thames system. The Developer has requested a connection in late 2015.

The Subject Area will be supplied by extending the existing underground infrastructure previously installed in Phase 1. The existing and proposed infrastructure are shown in Schedule C and E.

(f) <u>Distribution Infrastructure – Future Expansions in Adjacent Lands</u>:

The Site Plan in Schedule A and the Phasing Plan in Schedule B identify adjacent property owned by the Developer. As noted in these plans, there is another section of residential lots immediately to the south of Phase 2 (additional unserviced lots from Phase 2 and new lots in Phase 3), and four other Blocks slated for commercial, medium density, and public park/woodlot. Erie Thames anticipates making additional Service Area Amendment Applications for these developments if it is in the public interest, and has considered these potential developments in planning the supply for the Subject Area.

3. EFFICIENT RATIONALIZATION OF THE DISTRIBUTION SYSTEM

Erie Thames submits that the proposed SAA will result in a rational and efficient service area, and optimize the use of existing distribution assets.

(a) Location of the Points of Delivery and Connection:

Schedule E shows how the existing infrastructure from Phase 1 (27.6 kV feeder 38M50) will be extended from transformer P890 on Chatfield Street to supply Chamberlain Avenue, and from transformer P894 on Hollingshead Road to supply Hollingshead Road, and from switching cubicle IN189 on Chatfield Street through an existing road crossing to supply "Street A". The 38M50 feeder has ample capacity to supply the new load.

Erie Thames understands that Hydro One would supply this development by extending a new underground section of feeder (38M50) from Harris Street, along Chamberlain Avenue to reach the development. The section of Chamberlain Avenue from Harris Street to Chatfield Street would have no connections. This supply point would be located downstream of an existing retail meter point on Harris Street.

(b) Proximity to Distribution System:

Erie Thames has existing assets within Phase 1 of this development as noted above, immediately adjacent to the Service Area (Phase 2). The nearest Hydro One assets are located on Harris Street, approximately 120m from the intersection of Chamberlain Avenue and Chatfield Street, where the Service Area begins.

(c) Fully Allocated Connection Costs:

The fully allocated connection costs for Erie Thames and Hydro One were reviewed jointly by both distributors to ensure an even comparison. These costs were used to prepare the Offers to Connect. The fully allocated connection costs for Erie Thames were less than the equivalent costs for Hydro One.

(d) Stranded Equipment Costs:

There will be no stranded equipment due to the proposed SAA.

(e) Infrastructure Reliability:

The proposed SAA will not have any adverse effects on reliability in the Subject Area or adjacent areas. There will be an incremental expansion of Erie Thames distribution system. The development would be supplied by the 38M50 feeder regardless of which distributor makes the connection.

(f) Cost-Effectiveness of Future Expansions:

The infrastructure proposed by Erie Thames will adequately supply the 61 residential lots expected in the Service Area (Phase 2), as well as the additional residential lots expected in Phase 3, and the potential medium density and commercial growth south of Phase 3.

(g) Cost-Effectiveness of Improvements and Upgrades:

The infrastructure proposed by Erie Thames will support cost-effective future improvements and upgrades in the area.

4. IMPACTS ARISING FROM THE PROPOSED AMENDMENT

(a) <u>Description of Impacts – Affected Customers and Landowners</u>:

The Subject Area is vacant land owned by the Developer, and is a continuation of an existing development by the same owner of which Erie Thames is the distributor. The Developer supports the proposed amendment. There are no other customers affected.

(b) <u>Description of Impacts – Customer Impacts Within Subject Area</u>:

Approval of this SAA application will not result in any negative impacts on cost, rates, service quality, and reliability. The additional customers will have a marginally favourable impact on costs and rates due to the additional revenue.

(c) <u>Description of Impacts – Customer Impacts Outside Subject Area</u>:

Approval of this SAA application will not result in any negative impacts on cost, rates, service quality, and reliability. The additional customers will have a marginally favourable impact on costs and rates due to the additional revenue.

(d) Description of Impacts - Distributor Impacts:

Approval of this SAA application is not expected to have any impact on Hydro One. The additional revenue from the new customers will have a favourable impact on costs and rates for Erie Thames, without any adverse impacts to reliability or customer service.

(e) Description of Impacts – Stranded and Redundant Assets:

No assets will be stranded or made redundant as a result of this SAA.

(f) <u>Description of Impacts – Transferred Assets</u>:

No assets will be transferred as a result of this SAA.

(g) <u>Description of Impacts – Transferred Customers</u>:

No customers will be transferred as a result of this SAA.

(h) Description of Impacts - Eliminated Load Transfers or Retail Points:

No existing load transfers or retail points of supply will be eliminated by this SAA.

(i) <u>Description of Impacts – New Load Transfers or Retail Points</u>:

No new load transfers or retail points of supply will be created by this SAA.

(j) <u>Evidence of Consideration and Mitigation of Impacts – Written Confirmation of Full</u> <u>Disclosure</u>:

Erie Thames confirms that all affected parties have been provided with specific and factual information about the proposed SAA. The Developer has received Offers to Connect from both Erie Thames and Hydro One.

(k) Evidence of Consideration and Mitigation of Impacts – Consent of Incumbent Distributor:

Hydro One has consented to this SAA, and a copy of the letter of consent is attached as Schedule G.

(I) Evidence of Consideration and Mitigation of Impacts - Consent of Developer:

The Developer (Sifton Properties Limited) has provided their consent via a letter of support attached as Schedule H.

(m)<u>Evidence of Consideration and Mitigation of Impacts – Mitigation Efforts Related to</u> <u>Customer and Asset Transfer</u>:

No customers or assets will be transferred as a result of this SAA.

5. CUSTOMER PREFERENCE

The Developer (Sifton Properties Limited) has indicated their preference to have Erie Thames supply this Development, as noted in their letter of support attached as Schedule H.

All of which is respectfully submitted.

SCHEDULE A

SITE PLAN 9-L-4393



SCHEDULE B

PHASING PLAN



SCHEDULE C

ERIE THAMES EXISTING INFRASTRUCTURE



SCHEDULE D

ERIE THAMES EXISTING SERVICE BOUNDARY



SCHEDULE E

ERIE THAMES PROPOSED INFRASTRUCTURE



SCHEDULE F

ERIE THAMES PROPOSED SERVICE BOUNDARY



SCHEDULE G

HYDRO ONE CONSENT LETTER

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Joanne Richardson Director – Major Projects and Partnerships Regulatory Affairs



BY COURIER

September 16, 2015

Chris White President Erie Thames Power Corporation P.O. Box 157, 143 Bell Street Ingersoll, ON N5C 3K5

Dear Mr. White:

Erie Thames Power Corporation Application for Licence Amendment

This is to confirm that Hydro One Networks Inc. ("Hydro One") supports your application to amend Erie Thames Power Corporation's ("ETPC") Distribution Licence as proposed in ETPC's service area amendment application and listed below for ease of reference:

Part Lot 19, Concession 1 (West Oxford), Town of Ingersoll, Excluding: Lots 56 to 112, Lots 119 to 131, and Blocks 137, 138, 139, and 140

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

Sincerely,

Joanne Richardson

SCHEDULE H

DEVELOPER SUPPORT LETTER



Experience. The Difference.™

April 28, 2015

Chris White, President Erie Thames Power Lines Corporation P.O. Box 157 143 Bell Street Ingersoll, ON N5C 3K5

Re: Harrisview Subdivision Phase 2, Ingersoll - Service Area Amendment Application

Dear Sir:

As per previous discussions with Pat Zimmer and Chuck DeJong of Erie Thames Power Lines Corporation, we would like to confirm our preference to have Erie Thames Power Lines Corporation supply the required hydro infrastructure for our development area. I have previously provided our location, draft plan, and detailed engineering drawings of our first phase this letter is in reference to.

We intend on servicing the first phase of development this year, which consists of 54 single family homes, and one multi-family residential block. Future phases will include additional single family homes, multi-family blocks and commercial development.

This letter of intent is provided in order to satisfy the OEB filing requirement confirming that this is our "Customer Choice". We trust this letter clearly states our intentions, and are looking forward to working with you in order to provide the best possible utility servicing solutions for Sifton Properties, and all of the future residents of Ingersoll.

Yours truly

Phil Masschelein Vice President, Neighbourhood Developments Sifton Properties Limited



Sifton Properties Limited • Retirement Living • Residential Rentals • New Homes • Neighbourhood Developments • Commercial Properties

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