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Joanne Richardson
Director – Major Projects and Partnerships
Regulatory Affairs

hydro**one**

BY COURIER

January 21, 2016

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

Dear Ms. Walli:

EB-2015-0006 – Revised Proposal to Amend the Distribution System Code – Hydro One's Implementation Plan to Eliminate Long-Term Load Transfers

In accordance with the Ontario Energy Board's Notice of Amendments to the Distribution System Code ("DSC"), issued on December 21, 2015 Hydro One is providing its Implementation Plan ("Plan") to Eliminate Long-Term Load Transfers ("LTLTs") as Attachment 1.

The aim of this Plan is to mitigate both geographic and physical distributor costs while maintaining a seamless experience for transferred customers. The Plan segments the 47 LDCs with which Hydro One has LTLT agreements into geographically-zoned sub-groups. As this work will be undertaken by Hydro One crews throughout the province, Hydro One wants to ensure efficient, economical processes while not putting too much burden on crews in one area at any given time. This approach allows Hydro One the ability to concentrate on eliminating small pockets of LTLTs at a time and provides some flexibility in managing schedules if there are delays in LDC negotiations.

Hydro One understands that the Board will be providing streamlined filing guidelines for combined service area amendment and asset transfer applications involving LTLTs. Hydro One has further reviewed the draft application form and would like to propose the following additional changes from what was provided to the working group on July 21, 2015. See Attachment 2.

The attached changes, captured in tracked changes, attempt to streamline the guidelines and eliminate sections of the form that Hydro One believes are no longer required as a result of the

Board's decision in this proceeding. Additionally, Hydro One notes that Hydro One and Hydro Ottawa have jointly been working on a customer and asset data spreadsheet. The current draft of this spreadsheet is attached and Hydro One intends to utilize this spreadsheet throughout its LTLT elimination efforts.

Lastly, Hydro One requests, with respect to customer transfers, that any billing arrears and/or other outstanding costs up until the transition date will be the responsibility of the geographic distributor.

Conclusion

Hydro One is concerned over the LTLT elimination date of June 21, 2017 in section 6.5.3 of the DSC. Currently, there are a number of outstanding requirements (e.g. Application form, consensus on asset valuation) that have to be in place prior to applying to the OEB for the appropriate approval. Hydro One also notes that once the streamlined asset sale and SAA approval is attained there will be a further 1 to 6 weeks to transition the customers to the physical distributor. Achieving the attached implementation schedule will require coordinated efforts by all parties.

Hydro One looks forward to working with all distributors to eliminate the cross-subsidization that currently exists and will ensure that doing so results in no negative impact to the transferred customers.

An electronic copy of this correspondence has been filed using the Board's Regulatory Electronic Submission System.

Sincerely,

ORIGINAL SIGNED BY JOANNE RICHARDSON

Joanne Richardson

Attach.

LTLT Proposed Project Timeline

Zone	Month	LDC	Customer Transfer to HONI (Physical Distributor)	Customer Transfer from HONI (Geographic Distributor)
4	Month 1	Hydro Ottawa	45 + 1 ST	290
4	Month 1	Hydro 2000	1	13
5	Month 2	Wasaga Distribution	3	10
5	Month 2	Orillia Power	1	0
5	Month 2	Collus PowerStream	1	5
1A	Month 3	ELK Energy Inc.	41 + 1 ST	1
1A	Month 3	Entegrus	78	28
1A	Month 3	EnWin	14	0
1B	Month 4	Westario Power Inc.	44 + 3 ST	32
1B	Month 4	Wellington North Power Inc.	2	2
1B	Month 4	Waterloo North Hydro	50	139
1A & 2	Month 5	Brant County Power	25	91
2	Month 5	Cambridge North Dumfries	28	18
2	Month 5	Horizon Utilities	160	117
7	Month 6	Thunder Bay Hydro	55	23
7	Month 6	Sioux Lookout Hydro	0	34
7	Month 6	Atikokan Hydro	1	0
6	Month 7	Espanola Regional Distribution Company	8	20
6	Month 7	Hearst Power Distribution Company	5	9
6	Month 7	Greater Sudbury Power	5 + 1 ST	19
6	Month 7	Chapleau PUC	1 ST	0
4	Month 7	Rideau St. Lawrence	16+7 ST	21
4	Month 7	Hydro Hawkesbury	4 ST	0
2	Month 8	Niagara Peninsula Energy	111	178
2	Month 8	Canadian Niagara Power	0	5
2	Month 8	Centre Wellington Hydro	6	2
2	Month 9	Orangeville Hydro	1	18
2	Month 9	Milton Hydro	103	64
2	Month 9	Welland Hydro-Electric System Corp.	0	3
1A	Month 10	Essex Powerlines	44 + 1 ST	14
1A	Month 10	Festival Hydro	20	18
1A	Month 10	Kitchener Wilmot Hydro	0	81
5	Month 11	Parry Sound Power	31	0
5	Month 11	Midland PUC	6 + 3 ST	4
5	Month 11	Lakeland Power	10 + 8 ST	44
3B	Month 12	Ottawa River Power	11	4
3A & 3B	Month 12	Veridian Connections	50 + 4 ST	14
3A	Month 12	Oshawa PUC	8	0
2	Month 13	Burlington Hydro	32	0
2	Month 13	Hydro One Brampton	7	21
2	Month 13	Halton Hills Hydro	50	77
1A	Month 14	Tilsonburg Hydro	5	8

January 15, 2016

LTLT Proposed Project Timeline

Zone	Month	LDC	Customer Transfer to HONI (Physical Distributor)	Customer Transfer from HONI (Geographic Distributor)
1A	Month 14	London Hydro	6	6
1A	Month 14	Bluewater Power	16	32
1A	Month 15	St. Thomas Energy	12	3
1A	Month 15	Erie Thames Powerlines	7 + 2 ST	67
2 & 5	Month 16	Innpower	1 ST	62
2 & 5	Month 16	PowerStream	16 + 3 ST	79
3A	Month 17	Newmarket-Tay Power	7	0
3A	Month 17	Lakefront Utilities	10	12
3A	Month 17	Whitby Hydro	1 ST	0

Ontario

Ontario Energy Board

Elimination of Long Term Load Transfers

Between

LDC #1

And

LDC #2

Combined Service Area Amendment and Asset Transfer Application

~~D R A F T~~

~~For Working Group Comment~~

1

2016

D R A F T
For LDC & Board Staff Comment

PART I: SERVICE AREA AMENDMENT

1.1 Basic Facts

~~Provide a brief description of the service area amendment~~

Hydro One suggests this is a template introduction written by Board Staff that discusses the results of EB-2015-0006. It will be included in every application. Distributors will indicate the number of LTLTs that will be eliminated by this application

1.2 Identification of the Parties

1.2.1 Co- Applicant 1 ("LDC#1)

~~Name of Applicant~~ LDC #1	Licence Number
LDC #1 Address ~~of Head Office~~	Telephone Number
	Facsimile Number
	E-mail Address
~~Name of Individual to~~ Contact Person	Telephone Number
	Facsimile Number
	E-mail Address

1.2.2 Co-Applicant 2 ("LDC#2) ~~Applicant~~

~~Name of Other Party~~ LDC #2	Licence Number
LDC #2 Address ~~of Head Office~~	Telephone Number
	Facsimile Number

	E-mail Address
~~Name of Individual to~~ Contact Person	Telephone Number
	Facsimile Number
	E-mail Address

1.3 **Description of Proposed Service Area (List of Affected LTLT Customers – –Customer listing to be attached – to include customer address, name, billing address, rate class and meter number)**

1.3.1 ~~Provide a detailed service area description to be included in Schedule 1 of each physical distributor's licence.~~Total Number of LTLTs between distributors:

Number of LTLTs eliminated in this application.

Number of customers to be transferred from LDC #1 (Geographical Distributor) to LDC #2(Physical) Distributor) :

Number of customers to be transferred from LDC #2(Geographical Distributor) to LDC #1 (Physical Distributor) :

1.3.2 ~~Provide maps or diagrams of the area(s) that is the subject of the SAA application.~~ LDC #1 as Geographical Distributor is to insert a detailed Excel list of customer info, that will be transferred
{ EMBED HERE }

LDC #1 as Geographical Distributor is to insert detail Word Doc with pictures/Maps of location of customers being transferred { EMBED HERE }

1.3.3 ~~Provide a description of the type of physical connection(s) (i.e., individual customer; residential subdivision, commercial or industrial customer).~~ LDC #2 as Geographical Distributor is to insert a detailed Excel list of customer info, that will be transferred { EMBED HERE }

LDC #2 as Geographical Distributor is to insert detail Word Doc with pictures/Maps of location

1.4 **Impacts Arising from the Amendment**

~~1.4.1~~	~~Provide a list of affected LTLT customers. Provide written confirmation that all affected persons have been provided with specific and factual information about the service area amendment(s).~~
1.4.~~2~~1	Use the table below to describe the impact on customers' total bill that arises as a result of the service area amendment(s). Exclude any rate riders from the distribution and delivery charges of each distributor as well as from the calculation of the total bill impact (before and after rate mitigation is applied).
~~1.4.3~~	~~Provide a description of any assets which may be stranded or become redundant after completion of the service area amendment(s). Please explain why these assets could not be transferred to the physical distributor.~~

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1.4.4	Identify costs for stranded equipment that would need to be de-energized or removed.

1.4.5 2	Identify any assets that will be transferred to or from the applicant.. If an asset transfer is required, please complete Part II of the application form. See 2.1.1 below.

1.4.6 3	Identify any need for a rate mitigation and describe the rate mitigation being implemented. Please include an estimated total bill rate impact for each customer.

Impacts Resulting From SAA 1 from customers of LDC #1 (Geographical Distributor) being transferred to LDC #2(Physical Distributor)

	Geographic Distributor	Physical Distributor
Fixed Customer Charge ($ / month)		
Variable Distribution Charge (cents / kWh)		
Delivery Charge (cents / kWh)		
Total annual bill impact ($ / year)	n / a	
Total annual bill impact (during year 1 of mitigation, if applicable)	n / a	

Note: In calculating the total bill impact(s), please assume consumption of 800 kWh / month.

Impacts Resulting From customers of LDC #2 (Geographical Distributor) being transferred to LDC #1(Physical Distributor)

	Geographic Distributor	Physical Distributor
Fixed Customer Charge ($ / month)		
Variable Distribution Charge (cents / kWh)		
Delivery Charge (cents / kWh)		
Total annual bill impact ($ / year)	n / a	
Total annual bill impact (during year 1 of mitigation, if applicable)	n / a	

Note: In calculating the total bill impact(s), please assume consumption of 800 kWh / month.

Impacts Resulting From SAA 2

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	Geographic Distributor	Physical Distributor
~~Fixed Customer Charge ($ / month)~~		
~~Variable Distribution Charge (cents / kWh)~~		
~~Delivery Charge (cents / kWh)~~		
~~Total annual bill impact ($ / year)~~	~~n / a~~	
~~Total annual bill impact (during year 1 of mitigation, if applicable)~~	~~n / a~~	

~~Note: In calculating the total bill impact(s), please assume consumption of 800 kWh / month.~~

PART II: TRANSFER OF ASSETS (S. 86(1)(b))

2.1   Description of the Assets to Be Transferred

2.1.1   Provide a description of the assets that are the subject of the transaction.
LDC #1 as Geographical Distributor is to insert detailed Excel list of asset sale and value of asset info here that will be sold to LDC #2
          { EMBED HERE }

LDC #2 as Geographical Distributor is to insert detail Excel list of asset sale and value of asset info here, that will be sold to LDC #1
          { EMBED HERE }

2.1.2   Indicate where the assets are located – whether in the applicant's service territory or in the recipient's service territory (if applicable). Please include a map of the location.

Refer to 1.3.2 and 1.3.3 above for the maps

2.1.3   Indicate which utility's customers are currently served by the assets.

Refer to 1.3.2 and 1.3.3 above for customer list

2.2   Description of the Sale Transaction

2.2.1	The value of the assets to be transferred shall be determined based on Net Book Value. Attach the details of the associated cash consideration to be given and received by each of the parties to the transaction. Refer to 2.1.1 for the asset values being sold
2.2.2	Will the transfer impact any other parties (e.g. joint users of poles) including any agreements with third parties? If yes, please specify how.

PART III: CERTIFICATION AND ACNOWLEDGEMENT

Co- Applicant: 1 ("LDC#1)

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

Signature of Key Individual example	Name and Title of Key Individual	Date

(Must be signed by a key individual. A key individual is one that is responsible for executing the following functions for the applicant: matters related to regulatory requirements and conduct, financial matters and technical matters. These key individuals may include the chief executive officer, the chief financial officer, other officers, directors or proprietors.)

Co-Applicant 2 (LDC#2)

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

Signature of Key Individual	Name and Title of Key Individual	Date

(Must be signed by a key individual. A key individual is one that is responsible for executing the following functions for the applicant: matters related to regulatory requirements and conduct, financial matters and technical matters. These key individuals may include the chief executive officer, the chief financial officer, other officers, directors or proprietors.)

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Geographical Distributor LTLT Customer and Asset Transfer Information

Primary Customer Name	Transfer Effective (Date/Trigger)	Premise Address					Mailing Address if Different				Meter Information			Classification Figure #	Pole Information							Pole Value from Residual Value Table
		Number	Street	City	Postal Code	Property Identification No. (PIN), Optional if available	Number	Street	City	Postal Code	Meter ID No.	Meter Type	PT and CT (Y/N)		Road Crossing Pole (Y/N)	Road Crossing Pole for (Primary / Secondary)	Road Crossing Pole ID (if available)	Road Crossing Pole ID (if available)	Road Crossing Pole Owner	Road Crossing Pole Height (ft)	Road Crossing Pole Age (years)	

Geographical Distributor LTLT Customer and Asset Transfer Information

Primary Customer Name	Road Crossing Wire Owner (Physical/Geo)	Private Property Wire Owner (Customer/Physical/Geo)	Wire Value from "Figure Number"	Transformer Owner (Customer/Physical/Geo)	Transformer ID Number	Transformer Age (years)	Transformer PCB Allowance (Y/N) Pre 1980	Transformer Size (kVA)	Transformer Phases (1/3)	Transformer secondary voltage (V)	Transformer Asset Value from table	Number of Secondary Buss Spans	Secondary Bus Value ($180/Span)	Sentinel Light Owner (NA/Customer/Geo)	Sentinel Light-Bulb Wattage (W)	Sentinel Light Value (Unit price = $150 per light)	Legal Land Rights on File (Y/N)	Licensed 3rd Party Attacher(s) on Pole(s) (Y/N)	Customer Contract(s), Service Agreement(s), Notice(s), Condition(s) etc. (Y/N)
				Transformer Information							**Secondary Bus**		**Sentinel Light**			**Other Information**		

Geographical Distributor LTLT Customer and Asset Transfer Information

Primary Customer Name	Account No.	Rate Class	DRC/HST Exempt Status	Low Income Status	OESP Status	PAP Status	FN Status	Certificate of Indian Status #	Vital Services/Critical care Designation	Multi-unit designation	# of residential Units	DRC Exemption and # Units	Large Volume farm designation	Retailer Enrolled	Landlord Agreement	ODSP Customer	Active Complaints/Escalations	Language Preference	Epost/eBilling Status	Budget Billing Status	Billing Frequency	Meter Read Type	Head End System	Transformer Allowance	Primary Meter Allowance	Sentinel Light Charge
												Customer care Billing Information														