

**Hydro One Networks Inc.**

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**Joanne Richardson**

Director – Major Projects and Partnerships  
Regulatory Affairs

BY COURIER

April 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:

**Service Area Amendment Application between Hydro One Networks Inc. and Canadian Niagara Power**

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Hydro One Networks Inc. (“Hydro One”) is submitting the attached Service Area Amendment application to propose a site-specific service area boundary amendment between Hydro One and Canadian Niagara Power.

Should you have any questions on this application, please contact Pasquale Catalano at (416) 345-5405 or via email at Pasquale.Catalano@HydroOne.com.

Sincerely,

ORIGINAL SIGNED BY JOANNE RICHARDSON

Joanne Richardson

Attachment

c./ Douglas Bradbury

**Service Area Amendment Application**

**Hydro One Networks Inc.**

**April 21, 2016**

## 7.0 INTRODUCTION

*This application for a Service Area Amendment is structured and follows the minimum filing requirement for SAA assigned by the Ontario Energy Board. The section numbers follow the filing requirement of the base reference.*

Hydro One Networks Inc. (“Hydro One”) is making this service area amendment (“SAA”) application to the Ontario Energy Board (“the Board”) for the purpose of connecting a Generator Customer (“the generator”) whose project is currently under development and is currently located in Canadian Niagara Power Inc. (“Canadian Niagara Power”), service territory as described in its Electricity Distribution Licence (ED-2002-0572), a company operated by Eastern Ontario Power (“EOP”).

Approval of this application is requested, based on the expectation that the generator will connect to the Hydro One distribution system and the requisite connection agreement will be signed. Following approval of this SAA, Hydro One will initiate a connection impact assessment (“CIA”) of the generation project. It is Hydro One’s practice that a CIA can be undertaken only for projects within Hydro One’s service area defined by Hydro One’s Distribution Licence and hence the requested SAA is required in order for the the subject project to proceed through the connection assessment process.

The generator has received a FIT contract from the Ontario Power Authority (“OPA”). The generator has requested connection to the 44 kV distribution system of which Canadian Niagara Power does not have that voltage in their service territory. Canadian Niagara Power only has a 4 kV distribution system in the customer’s service area and would have to extend their 26 kV distribution circuit to the site at a considerable expense. Canadian Niagara Power is supplied from Hydro One’s 44 kV feeder out of Frontenac TS in Kingston and Hydro One will be able to supply the generator.

Hydro One is proposing to include only the specific lands on which the generator is located. The SAA is to be restricted to the generation customer only. All existing and future loads are to remain connected to Canadian Niagara Power’s system.

Due to the time required to obtain the necessary approvals (including this application) and to complete the connection assessment process, Hydro One respectfully requests expedited processing of this application in order to allocate the system capacity that the generator is planning to use as soon as possible to the generator. The generator has committed to an August 8, 2016 in-service date under its FIT Contract. Hydro One’s capacity allocation process cannot allocate system capacity for these projects until their CIAs have been completed. This is in accordance with 6.2.4.1 a of the Distribution System Code (“DSC”). Consequently, initiation of the CIA, as noted above, cannot occur until the SAA approval is in place.

As part of this SAA, Hydro One also requests an administrative update to its licence to account for the defined distribution service area of Kingston Hydro Corporation. Hydro One’s current licence references Kingston Electricity Distribution Ltd.

## 7.1 BASIC FACTS

### GENERAL

#### 7.1.1 (a)

*Provide the contact information for the applicant  
Contact information includes the name, postal address, telephone number, and, where available, the email address and fax number of the person*

The Applicant:

Hydro One Networks Inc  
Pasquale Catalano  
Regulatory Analyst, Regulatory Affairs  
Hydro One Networks Inc.  
483 Bay Street, South Tower, 7th floor  
Toronto, ON, M5G 2P5  
Phone: 416-345-5405  
Fax: 416-345-5866  
E-mail: [regulatory@hydroone.com](mailto:regulatory@hydroone.com)

#### 7.1.1 (b)

*Provide the contact information for the incumbent distributor  
Contact information includes the name, postal address, telephone number, and, where available, the email address and fax number of the person*

The Incumbent Distributor:

Canadian Niagara Power Inc.  
Greg Beharriell, P. Eng.  
Manager – Regulatory Affairs  
1130 Bertie Street  
P.O. Box 1218  
Fort Erie, ON L2A 5Y2  
Phone: 905-994-3634  
Fax: 905-994-2207  
Email address: [doug.bradbury@fortisontario.com](mailto:doug.bradbury@fortisontario.com)

#### 7.1.1 (c)

*Provide every affected customer, landowner, and developer in the area that is the subject of the SAA Application  
Contact information includes the name, postal address, telephone number, and, where available, the email address and fax number of the person*

The Registered Owner/Developer or Customer:

EEDI and TREC SolarShare No. 1 LP  
Cameron Steinman  
Director  
40 Eglinton Ave E., Suite 802  
Toronto, ON M4P 3A2  
Phone: 416-789-4655

Cell : 416-670-5363  
Email: [cameron.steinman@ugei.com](mailto:cameron.steinman@ugei.com)

EEDI and TREC SolarShare No. 1 LP  
Michael Kendon  
Director  
119 Spadina Ave., Suite 602  
Toronto, ON M5V 2L1  
Phone: 416-868-1617  
Cell : 905-334-8098  
Email: [m.kendon@soventix.ca](mailto:m.kendon@soventix.ca)

### 7.1.1 (d) & (e)

*Provide any alternate distributor other than the applicant and the incumbent distributor, if there are any alternate distributors bordering on the area that is the subject of the SAA application; and any representative of the persons listed above including, but not limited to, a legal representative*

There are no alternate distributors.

### 7.1.2 REASONS FOR APPROVAL OF THIS AMENDMENT

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

The generator has received a FIT contract from the Ontario Power Authority (“OPA”). The generator has requested connection to the 44 kV distribution system of which Canadian Niagara Power does not have that voltage in their service territory. Canadian Niagara Power only has a 4 kV distribution system in the customer’s service area and would have to extend their 26 kV distribution circuit to the site at a considerable expense. Canadian Niagara Power is supplied from Hydro One’s 44 kV feeder out of Frontenac TS in Kingston and Hydro One will be able to supply the proponent. Canadian Niagara Power has been made aware of this application and has consented both, to its filing, and that the application be assessed without a hearing. The consent letter is provided as Attachment 2.

### DESCRIPTION OF PROPOSED SERVICE AREA

#### 7.1.3

*(a) Provide a detailed description of the lands that are the subject of the SAA application. For SAA applications dealing with individual customers, the description of the lands should include the lot number, the concession number, and the municipal address of the lands. The address should include the street number, municipality and/or county, and postal code of the lands.*

*For SAA applications dealing with general expansion areas, the description of the lands should include the lot number and the concession number of the lands, if available, as well as a clear description of the boundaries of the area (including relevant geographical and geophysical features).*

The following generator currently located in Canadian Niagara Power’s service territory is proposed to be served by Hydro One:

1. EEDI and TREC SolarShare No. 1 LP  
Project Name: EEDI KI2  
Project Civic Address: 1560 Abbey Dawn Rd., Kingston, ON K7L 5H6

Project Location:

PIN: 36340-0276, Part Lot 6, Concession 2 in Pittsburgh Township

*(b) Provide geographic descriptions of the lands that are subject of the SAA application and how they should be reflected on Schedule 1 of the applicants' electricity distribution licences.*

**Hydro One Networks and Canadian Niagara Power's Licence Amendments**

**Hydro One Networks Inc. – ED-2003-0043**

**APPENDIX - TAB 4**

**Name of Municipality:** City of Kingston

**Formerly Known As:** City of Kingston, Township of Kingston, Township of Pittsburgh, as at December 31, 1997.

**Area Not Served By Networks:** The area served by Kingston Hydro Corporation described as the City of Kingston, the former Township of Kingston, and part of the former Township of Pittsburgh as more particularly set out in Licence No. ED-2003-0057.

The area served by Canadian Niagara Power Inc. described as part of the former Township of Pittsburgh as more particularly set out in Licence No. ED-2002-0572.

**Networks assets within area not served by Networks:** Yes

**Customer(s) within area not served by Networks:**

*→ Upon approval of this application, this will be amended as the above.*

**Canadian Niagara Power Inc. – ED-2002-0572**

**SCHEDULE 1 DEFINITION OF DISTRIBUTION SERVICE AREA**

7. The customers located at the following civic numbers and future customers that lie along the Licensee's distribution system in the City of Kingston, formerly in the Township of Kingston:

- Abbey Dawn Road: 1707, 1671, 1655, 1635, 1619, 1597, 1570 and 1569.

*→ Upon approval of this application, this will be amended as the above.*

**7.1.4 Provide maps/diagrams of the area that is the subject of the SAA application**

7.1.4 (a)	<i>Borders of the applicant's service area</i>	<b>See Attachment 1 - Map</b>
7.1.4 (b)	<i>Borders of the incumbent distributor's service area</i>	
7.1.4 (c)	<i>Borders of any alternate distributor's service area</i>	

7.1.4 (d)	<i>Territory surrounding the area for which the applicant is making SAA application</i>	<b>See Attachment 1 - Map</b>
7.1.4 (e)	<i>Geographical and geophysical features of the area including, rivers and lakes, property borders, roads, and major public facilities</i>	
7.1.4 (f)	<i>Existing facilities supplying the area that is the subject of the SAA application, if applicable, as well as the proposed facilities which will be utilized by the applicant to supply the area that is the subject of the SAA application (Note: if the proposed facilities will be utilized to also provide for expansion of load in the area that is the subject of the SAA application, identify that as well).</i>	

**DISTRIBUTION INFRASTRUCTURE IN AND AROUND THE PROPOSED AMENDMENT AREA**

**7.1.5**

*Provide a description of the proposed type of physical connection (i.e., individual customer; residential subdivision, commercial or industrial development, or general service area expansion).*

If connected, the generator will be under the Hydro One Distributed Generation (Dgen) rate class. The point of connection (“POC”) is at an existing Hydro One owned pole on the east side of Abbey Dawn Road. The point of common coupling (“PCC”) is at the property boundary. See section 7.2.1(b) for further details.

**7.1.6**

*Provide a description of the applicant’s plans, if any, for similar expansions in lands adjacent to the area that is the subject of the SAA application.  
Provide a map or diagram showing the lands where expansions are planned in relation to the area that is the subject of the SAA application.*

*The proposed SAA will be evaluated in terms of rational and efficient service area realignment. This evaluation will be undertaken from the perspective of economic (cost) efficiency as well as engineering (technical) efficiency.*

*Applicants must demonstrate how the proposed SAA optimizes the use of existing infrastructure. In addition, applicants must indicate the long term impacts of the proposed SAA on reliability in the area to be served and on the ability of the system to meet growth potential in the area. Even if the proposed SAA does not represent the lowest cost to any particular party, the proposed SAA may promote economic efficiency if it represents the most effective use of existing resources and reflects the lowest long run economic cost of service to all parties.*

The purpose of this SAA is to enable the connection of the generation project to Hydro One’s 44 kV feeder. The generation proponent, who proposes to locate at a site in Kingston, would normally become a customer of Canadian Niagara Power, however that utility does not have a 44 kV feeder in their distribution system and the generator has requested connection to Hydro One’s 44 kV feeder.

customer of Canadian Niagara Power, however that utility does not have a 44 kV feeder in their distribution system and the generator has requested connection to Hydro One's 44 kV feeder.

The use of Hydro One's existing infrastructure allows Hydro One to serve the generator in an economically and operationally efficient way. This SAA avoids considerable Canadian Niagara Power capital expenditure that would be required in order to serve the customer.

Hydro One makes this application with the support of Canadian Niagara Power and the generator. (See Attachment 2 – Letters)

## 7.2.1 ECONOMIC AND ENGINEERING EFFICIENCY

*In light of the above, provide a comparison of the economic and engineering efficiency for the applicant and the incumbent distributor to serve the area that is the subject of the SAA application. (NOTE: (a), (b), (c), (d), (e), (f), (g), (h))*

### 7.2.1 (a)

*Location of the point of delivery and the point of connection*

- Please see Section 7.1.4.

### 7.2.1 (b)

*Proximity of the proposed connection to an existing, well developed electricity distribution system*

The generator will require 0.3km connection tap directly from Hydro One's existing Frontenac TS M1 feeder at POC.

### 7.2.1 (c)

*The fully allocated connection costs for supplying the customer (i.e., individual customers or developers) unless the applicant and the incumbent distributor provide a reason why providing the fully allocated connection costs is unnecessary for the proposed SAA (Note: the Board will determine if the reason provided is acceptable).*

The total cost for connecting the customer is not known at this point owing to the preliminary nature of the project and the fact that CIA has not been completed. When a cost estimate is developed, Hydro One will follow DSC cost responsibility rules to allocate project costs between the generator and ratepayers. More specifically, if there were a need for:

- a distribution system expansion, section 3.2.5A of the DSC respecting the Renewable Energy Expansion Cost Cap of \$90,000 per MW will be applied;
- a Renewable Enabling Improvement ("REI"), sections 3.3.2 and 3.3.3 of the DSC will be applied.

At this time, however, Hydro One anticipates that the total cost will be that for connection assets only. According to the DSC, this cost would be entirely recovered from the generator, who will be required to sign a Connection Cost Agreement ("CCA").



Please see Section 7.2.1 (c)

**7.2.1 (e)**

*Costs for stranded equipment (i.e., lines, cables, and transformers) that would need to be de-energized or removed*

None

**7.2.1 (f)**

*Information on whether the proposed SAA enhances, or at a minimum does not decrease, the reliability of the infrastructure in the area that is the subject of the SAA application and in regions adjacent to the area that is the subject of the SAA application over the long term*

Not Applicable

**7.2.1 (g)**

*Information on whether the proposed infrastructure will provide for cost-efficient expansion if there is growth potential in the area that is the subject of the SAA application and in regions adjacent to the area that is the subject of the SAA application*

*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.*

Not Applicable

**7.3 IMPACTS ARISING FROM THE PROPOSED AMENDMENT**

**Description of Impacts**

**7.3.1**

*Identify any affected customers or landowners.*

Please see Section 7.1.1 (c).

**7.3.2**

*Provide a description of any impacts on costs, rates, service quality, and reliability for customers in the area that is the subject of the SAA application that arise as a result of the proposed SAA. If an assessment of service quality and reliability impacts cannot be provided, explain why.*

Approval of this SAA will allow Hydro One to complete a CIA and assess any potential impacts to the customer. Without approval of this SAA, the customer will not be able to connect to the Hydro One 44kv distribution system and will not be able to meet the August 8, 2016 in-service date under it's FIT contract.

### 7.3.3

***Provide a description of any impacts on costs, rates, service quality, and reliability for customers of any distributor outside the area that is the subject of the SAA application that arise as a result of the proposed SAA. If an assessment of service quality and reliability impacts cannot be provided, explain why.***

Upon the Board's approval of this SAA, Hydro One will initiate a CIA which will study the impact of the proposed project's connection on the Hydro One distribution system and the supply station Frontenac TS M1 feeder.

As noted in response to question 7.2.1 c), at this time, Hydro One anticipates that neither expansion nor REI costs will be incurred as a part of this connection. As all connection costs will be borne by the generator, Hydro One ratepayers will not bear any rate impacts as a result of this connection.

### 7.3.4

***Provide a description of the impacts on each distributor involved in the proposed SAA. If these impacts have already been described elsewhere in the application, providing cross-references is acceptable.***

Please refer to Sections 7.0 and 7.1.3

### 7.3.5

***Provide a description of any assets which may be stranded or become redundant if the proposed SAA is granted.***

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

### 7.3.6

***Identify any assets that are proposed to be transferred to or from the applicant. If an asset transfer is required, has the relevant application been filed in accordance with section 86 of the Act? If not, indicate when the applicant will be filing the relevant section 86 application.***

There will be no transfer of assets.

### 7.3.7

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

Please see Section 7.1.1 (c)

### 7.3.8

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

Not Applicable

### 7.3.9

*Identify any new load transfers or retail points of supply that will be created as a result of the proposed SAA. If a new load transfer will be created, has the applicant requested leave of the Board in accordance with section 6.5.5 of the Distribution System Code (“DSC”)?*

*If not, indicate when the applicant will be filing its request for leave under section 6.5.5 of the DSC with the Board. If a new retail point of supply will be created, does the host distributor (i.e., the distributor who provides electricity to an embedded distributor) have an applicable Board approved rate? If not, indicate when the host distributor will be filing an application for the applicable rate.*

Not Applicable

## EVIDENCE OF CONSIDERATION AND MITIGATION OF IMPACTS

### 7.3.10

*Provide written confirmation by the applicant that all affected persons have been provided with specific and factual information about the proposed SAA. As part of the written confirmation, the applicant must include details of any communications or consultations that may have occurred between distributors regarding the proposed SAA.*

Canadian Niagara Power and EEDI KI2 are aware of the connection issues and support Hydro One proceeding with this SAA. (See Attachment 2 – Letters)

### 7.3.11

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

Please see Attachment 2 – Letters

### 7.3.12

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

Please see Attachment 2 – Letters

### 7.3.13

*Provide evidence of attempts to mitigate impacts where customer and/or asset transfers are involved (i.e., customer rate smoothing or mitigation, and compensation for any stranded assets).*

Not Applicable

## 7.4 CUSTOMER PREFERENCE

### 7.4.1

*An applicant who brings forward an application where customer choice may be a factor must provide a written statement signed by the customer (which includes landowners and developers) indicating the customer's preference.*

Please see Attachment 2 – Letters

## **7.5 ADDITIONAL INFORMATION REQUIREMENTS FOR CONTESTED APPLICATIONS**

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

Not Applicable

### **7.5.1**

*If the application was initiated due to an interest in service by a customer, landowner, or developer, evidence that the incumbent distributor was provided an opportunity to make an offer to connect that customer, landowner, or developer.*

Not Applicable

### **7.5.2**

*Evidence that the customer, landowner, or developer had the opportunity to obtain an offer to connect from the applicant and any alternate distributor bordering on the area that is the subject of the SAA application.*

Not Applicable

### **7.5.3**

*Actual copies of, as well as a summary of, the offer(s) to connect documentation (including any associated financial evaluations carried out in accordance with Appendix B of the Distribution System Code). The financial evaluations should indicate costs associated with the connection including, but not limited to, on-site capital, capital required to extend the distribution system to the customer location, incremental up-stream capital investment required to serve the load, the present value of incremental OM&A costs and incremental taxes as well as the expected incremental revenue, the amount of revenue shortfall, and the capital contribution requested.*

Not Applicable

### **7.5.4**

*If there are competing offers to connect, a comparison of the competing offers to connect the customer, landowner, or developer.*

Not Applicable

### **7.5.5**

*A detailed comparison of the new or upgraded electrical infrastructure necessary for each distributor to serve the area that is the subject of the SAA application, including any specific proposed connections.*

Not Applicable

### 7.5.6

*Outage statistics or, if outage statistics are not available, any other information regarding the reliability of the existing line(s) of each distributor that are proposed to supply the area that is the subject of the SAA application.*

Not Applicable

### 7.5.7

*Quantitative evidence of quality and reliability of service for each distributor for similar customers in comparable locations and densities to the area that is the subject of the SAA application.*

Not Applicable

## 7.6 OTHER

*It is the sole responsibility of the Applicant to provide all information that is relevant and that would assist the Board in making a determination in this matter. Failure to provide key information may result in a delay in the processing of the application or in the denial of the application.*

## 7.7 REQUEST FOR NO HEARING

*Does the applicant request that the application be determined by the Board without a hearing? If yes, please provide:*

*(a) an explanation as to how no person, other than the applicant and the proposed recipient, will be adversely affected in a material way by the outcome of the proceeding AND*

*(b) the proposed recipient's written consent to the disposal of the application without a hearing.*

**Hydro One requests that the application be disposed of without a hearing.**

(a,b) The impact of the proposed SAA is limited to Canadian Niagara Power, Hydro One and the generator. Canadian Niagara Power and the generator support Hydro One proceeding with this SAA application without a hearing (Please see Attachment 2 – Letters).

ORIGINAL SIGNED BY JOANNE RICHARDSON

\_\_\_\_\_  
**Joanne Richardson,**  
**Director – Major Projects and Partnerships**  
**Hydro One Networks Inc.**

April 21, 2016

Dated: \_\_\_\_\_

**7.8 CERTIFICATION AND ACKNOWLEDGMENT STATEMENT**

**I certify that the information contained in this application and in the documents provided are true and accurate to my best knowledge.**

ORIGINAL SIGNED BY JOANNE RICHARDSON

\_\_\_\_\_  
**Joanne Richardson,  
Director – Major Projects and Partnerships  
Hydro One Networks Inc.**

**April 21, 2016**  
**Dated:** \_\_\_\_\_

# ATTACHMENT 1 – MAP



## **ATTACHMENT 2 - LETTERS**



March 15, 2016

Mr. Jeff Reid  
Distribution Account Executive  
Hydro One Networks Inc.  
11 McDonald Drive  
Picton, ON K0K 2T0

RE: Hydro One Networks Inc.'s Service Area Amendment – DG30,250 EEDI KI2 500 kW Ground Mount Solar Facility

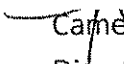
Dear Mr. Reid,

This is to confirm that EEDI and TREC SolarShare No. 1 LP consents to Hydro One Network's proposed service area amendment application to serve our EEDI KI2 500 kW Solar Facility located on Abbey Dawn Road in Kingston, ON. EEDI and TREC SolarShare No. 1 LP also supports Hydro One to proceed with this service area amendment application without an Ontario Energy Board hearing.

Should you require anything further please feel free to contact me at (416) 670-5363 or Darcy Boudreau at (647) 632-6237.

  
Sincerely,

ORIGINAL SIGNED BY CAMERON STEINMAN

  
Cameron Steinman  
Director

EEDI and TREC SolarShare No. 1 LP



**CANADIAN NIAGARA POWER INC.**

**A FORTIS** ONTARIO  
*Company*

April 15, 2016

Mr. Jeff Reid  
Distribution Account Executive  
Hydro One Networks Inc.  
11 McDonald Drive  
Picton, On K0K 2T0

RE: Hydro One Networks Inc.'s Service Area Amendment- DG30.250 EEDI K12 500 kW Ground Mount Solar Facility

Dear Mr. Reid,

This is to confirm that Canadian Niagara Power Inc. consents to Hydro One Networks proposed service area amendment application to serve the EEDI K12 500 kW Solar Facility located on Abbey Dawn Road in Kingston, ON. Canadian Niagara Power Inc. also supports Hydro One to proceed with this service area amendment application without an Ontario Energy Board hearing.

Should you require anything further please feel free to contact me at 705-941-5564 or Michael O'Reilly at 613-932-0141 x 4232.

Sincerely,

ORIGINAL SIGNED BY GREG BEHARRIELL

Greg Beharriell, P.Eng.  
Manager, Regulatory  
Affairs Canadian Niagara  
Power