

Hydro One Networks Inc.

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Joanne Richardson

Director – Major Projects and Partnerships
Regulatory Affairs



BY COURIER

June 10, 2016

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
Suite 27, 2300 Yonge Street
P.O. Box 2319
Toronto, ON
M4P 1E4

Dear Ms. Walli:

**Load Transfer Elimination Application – A Service Area Amendment & Asset Sale Application
Between Hydro One Networks Inc. and Hydro 2000 Inc.**

In accordance with the Distribution System Code amendments of December 21, 2015, Hydro One Networks Inc. and Hydro 2000 Inc. are jointly applying to the Ontario Energy Board (“Board”) for approval to amend the service areas of both distributors such that all existing load transfer arrangements between the two LDCs are eliminated.

Please note that there is only one customer being transferred to Hydro One in this application, and, as a result, the applicable credit analysis that depicts average customer load profile over the last 12 months, namely Table 2, has been redacted and filed in confidence with the Board.

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
cc. Stephane Sarrazin



Ontario Energy Board

**Elimination of Load Transfer Arrangements
Between
Hydro One Networks Inc. and Hydro 2000 Inc.**

**Combined Service Area Amendment and Asset
Transfer Application**

June 10, 2016

PART I: SERVICE AREA AMENDMENT

1.1 Basic Facts

As a result of the Distribution System Code amendments of December 21, 2015, EB-2015-0006, Hydro One Networks Inc. ("Hydro One") and Hydro 2000 Inc. ("Hydro 2000") are jointly applying to the Ontario Energy Board ("OEB") for approval to amend the service areas of both distributors such that all existing load transfer arrangements between the two LDCs are eliminated.

1.2 Identification of the Parties

1.2.1 Applicant

(Identify whether the applicant is a geographic and/or physical distributor)

Name of Applicant Hydro One Networks Inc.	Licence Number ED-2003-0043
Address 483 Bay Street, 7 th Floor, South Tower Toronto, ON M5G 2P5	Telephone Number 416-345-5405
	Facsimile Number 416-345-5866
	E-mail Address Regulatory@HydroOne.com
Contact Person Pasquale Catalano Regulatory Analyst	Telephone Number As listed above.
	Facsimile Number As listed above.
	E-mail Address Pasquale.Catalano@HydroOne.com

1.2.2 Co-Applicant or Other Distributor to the Service Area Amendment Application

Name of Co-Applicant or Other Distributor Hydro 2000 Inc.	Licence Number ED-2002-0542
Address: 265 St. Philippe Street, P.O. Box 370 Alfred, ON K0B 1A0	Telephone Number 613-679-4093
	Facsimile Number 613-679-0452
	E-mail Address: aphydro@hawk.igs.net
Contact Person: Stephane Sarrazin	Telephone Number 613-679-4093 X204
	Facsimile Number 613-679-0452
	E-mail Address aphydro@hawk.igs.net

1.3 Description of Proposed Service Area

1.3.1	<p>Provide a detailed service area description of the area(s) that is subject to the SAA and how the amendments should be reflected in Schedule 1 of the licence(s) of the distributor(s).</p> <p>The proposed amendments are premise specific. Once the application is approved, all of the premises listed in Attachment 1 will be included in Hydro 2000's licence while the premise listed in Attachment 2 will be removed from Hydro 2000's licence and be served by Hydro One.</p>
1.3.2	<p>Provide maps or diagrams of the area(s) that is the subject of the SAA application.</p> <p>Please see Attachments 3 and 4.</p>
1.3.3	<p>Provide a description of the type of physical connection(s); i.e., individual customer; residential subdivision, commercial or industrial customer.</p> <p>13 Hydro One customers are proposed to be transferred to Hydro 2000:</p> <ul style="list-style-type: none"> • 12 residential customers • 1 MicroFIT customers <p>1 Hydro 2000 customer proposed to be transferred to Hydro One:</p> <ul style="list-style-type: none"> • 1 residential customer

1.4 Information on Affected Load Transfer Customers

1.4.1	<p>Provide a total number of load transfer arrangements between distributors.</p> <p>Please see 1.3.3.</p>
1.4.2	<p>Provide a number of load transfers eliminated in this application.</p> <p>Please see 1.3.3.</p>
1.4.3	<p>Provide a number of customers to be transferred from Hydro One to Hydro 2000</p> <p>Please see 1.3.3.</p>
1.4.4	<p>Provide a number of customers to be transferred from Hydro 2000 to Hydro One.</p> <p>Please see 1.3.3.</p>
1.4.5	<p>Provide a list of affected load transfer customers. (Customer listing must include customer address, name, billing address, rate class and meter number)</p> <p>Please see Attachments 1 and 2.</p>
1.4.6	<p>Provide written confirmation that all affected persons have been provided with specific and factual information about the service area amendment(s).</p> <p>Letters informing customers of the proposed amendments will be sent by both Hydro 2000 and Hydro One to their respective customers by June 10, 2016.</p>

1.5 Impacts Arising from the Amendment(s)

1.5.1	<p>Use the table below to describe the impact on the average residential customers' total bill that arises as a result of the service area amendment(s) before and after rate mitigation is applied.</p> <p>Use delivery charge on consumer's bill (including cost of losses and excluding all rate riders).</p> <p>Use 750 kWh / month for the average residential consumer. Provide any additional information as required.</p> <p>The delivery charges will increase for customers moving from Hydro 2000 to Hydro One Networks. Table 1 shows the delivery and total bill impacts for these customers at typical consumption levels.</p>
1.5.2	<p>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.</p> <p>No assets will be stranded as a result of this amendment.</p>
1.5.3	<p>Identify costs for stranded equipment that would need to be de-energized or removed.</p> <p>N/A – please see 1.5.2</p>
1.5.4	<p>Identify any assets that will be transferred to and/or from the applicant(s). If an asset transfer is required, please complete Part II of the application form.</p> <p>Please see Part 2</p>
1.5.5	<p>Include an estimate of the credit required for each customer to ensure there is not a negative impact on the total bill.</p> <p>Please see Table 2 below.</p>

Table 1: Bill Impacts at Typical Consumption Levels for Customers Moving from Hydro 2000 to Hydro One Networks (Rates as of May 1, 2016)

Monthly Consumption (kWh)	Hydro 2000				Hydro One Networks				Average Monthly Delivery Impact on Total Bill (\$)
	Rate Class	Fixed Charge (\$)	Variable Charge (\$/kWh or \$/kW)*	Delivery Charge (\$) **	Rate Class	Fixed Charge (\$)	Variable Charge (\$/kWh or \$/kW)*	Delivery Charge (\$) **	
750	RES	18.31	0.0174	48.21	R2	41.36	0.0426	92.07	43.86

* Includes low voltage charge

** Includes RTSR charges and cost of losses.

The customers moving from Hydro 2000 to Hydro One Networks will receive a monthly bill credit to offset the increase in delivery charges¹. In accordance with the Ontario Energy Board's (OEB) direction provided in "Amendments to the Distribution System Code", the credit will be calculated using each customer's average monthly consumption over the most recent 12 months at the time the application is filed for the OEB's approval. The credit will be fixed at this calculated level and remain in place as long as the customer remains the account holder.

The OEB has confirmed that a deferral account will be provided for the purpose of tracking the rate mitigation costs for future recovery.

Table 2 provides the credit amount for the residential customer moving from Hydro 2000 to Hydro One Networks.

¹ For the purpose of credit calculations, the delivery charge includes distribution charges, transmission charges and cost of losses, but excludes any rate riders as specified by the OEB in "[Amendments to the Distribution System Code, Section C \(File No.: EB-2015-0006\)](#)".

Table 2: Credit Amounts to Eliminate the Increase in Delivery Charges for Customers Moving from Hydro 2000 to Hydro One Networks (Rates as of May 1, 2016)

Index	Average Monthly Consumption (kWh)	Hydro 2000		Hydro One Networks		Monthly Credit (\$)
		Rate Class	Delivery Charges (\$)	Rate Class	Delivery Charges (\$)	

Customers moving from Hydro One Networks to Hydro 2000

Customers moving from Hydro One Networks to Hydro 2000 will see a reduction in their monthly delivery charges, and as such, no credits are required for these customers. As shown in Table 1, a typical residential customer consuming 750 kWh per month will see a reduction of \$43.86 in monthly delivery charges.

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

2.1 Description of the Assets to Be Transferred

2.1.1	<p>Provide a description of the assets that are the subject of the transaction. (Attach a detailed list of assets to be sold including value of assets)</p> <p>See Attachments 1 and 2.</p>
2.1.2	<p>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.</p> <p>The assets are located within the territory that will be transferred from the geographical distributor to the physical distributor, if the application is approved. Please see Attachments 3 and 4 for maps indicating the location of the assets.</p>
2.1.3	<p>Indicate which distributor’s customers are currently served by the assets.</p> <p>Currently the assets are being used to service the geographical distributor’s customers. Once the application is approved, the assets will continue to service the same customers they currently service. The customers will be transferred from the geographical distributor to the physical distributor.</p>

2.2 Description of the Sale Transaction

2.2.1	<p>The value of the assets to be transferred shall be determined based on net book value (NBV). Attach the details of the associated cash consideration to be given and received by each of the parties to the transaction.</p> <p>Hydro One will sell the assets servicing the subject Geographical Customers to Hydro 2000 for \$17,698 plus applicable taxes. A detailed breakdown of the assets is included in Attachment 1.</p> <p>Hydro 2000 does not have any assets to be sold.</p>
2.2.2	<p>Will the transfer impact any other parties (e.g. joint users of poles) including any agreements with third parties? If yes, please specify how.</p> <p>Eastlink is the only joint use partner on the poles subject to this sale. Eastlink will establish a permit with Hydro 2000 and Hydro One will cancel the existing permit upon completion of the sale for their Joint Use attachments.</p>

PART III: CERTIFICATION AND ACNOWLEDGEMENT

Applicant

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
ORIGINAL SIGNED BY JOANNE RICHARDSON	Joanne Richardson Director - Major Projects and Partnerships	June 10, 2016

(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 (if applicable)

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
ORIGINAL SIGNED BY STEPHANE SARRAZIN	Stephane Sarrazin President of the Board of Directors	June 10, 2016

(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.)

Geographical Distributor LTLT Customer and Asset Transfer Information

Map #	Primary Customer Name	Premise Address							Meter ID No.	Classification Figure #	Geographical Distributor Rate
		Number	Street	City	Postal Code	Lot	Concession	Township			
1		4521	COUNTY RD 17	ALFRED	K0B 1A0	9	6	ALFRED AND PLANTAGENET	J2598030	Fig.6	R2_TOU_RPP
1		4539	COUNTY RD 17	ALFRED	K0B 1A0	10	6	ALFRED AND PLANTAGENET	J2598031	Fig.5	R2_TOU_RPP
1		4549	COUNTY RD 17	ALFRED	K0B 1A0	9	6	ALFRED AND PLANTAGENET	J3207063	Fig.6	R2_TOU_RPP
1		4549	COUNTY RD 17	ALFRED	K0B 1A0	9	6	ALFRED AND PLANTAGENET	J3366499	Fig.6	R2_TOU_RPP
1		4549	COUNTY RD 17	ALFRED	K0B 1A0	9	6	ALFRED AND PLANTAGENET	J3231980	Fig.6	R2_TOU_RPP
1		4549	COUNTY RD 17	ALFRED	K0B 1A0	9	6	ALFRED AND PLANTAGENET	J3374137	Fig.6	MICROFIT
2		725	RUE STATION STREET	NORTH PLANTAGENET	K0B 1L0	7	6	NORTH PLANTAGENET	J2444604	Fig.7	R2_TOU_RPP
2		755	RUE STATION STREET	NORTH PLANTAGENET	K0B 1L0	7	6	NORTH PLANTAGENET	J2444605	Fig.8	R2_TOU_RPP
2		785	RUE STATION STREET	NORTH PLANTAGENET	K0B 1L0	6	6	NORTH PLANTAGENET	J2078643	Fig.8	R2_TOU_RPP
3		910	COUNTY ROAD 26	NORTH PLANTAGENET	K0B 1L0	10	4	NORTH PLANTAGENET	J2117222	Special #1	R2_TOU_RPP
3		931	COUNTY ROAD 26	NORTH PLANTAGENET	K0B 1L0	8	3	NORTH PLANTAGENET	J2472306	Special #1	R2_TOU_RPP
3		950	COUNTY ROAD 26	NORTH PLANTAGENET	K0B 1L0	9	3	NORTH PLANTAGENET	J2077213	Special #1	R2_TOU_RPP
3		961	COUNTY ROAD 26	NORTH PLANTAGENET	K0B 1L0	9	3	NORTH PLANTAGENET	J3307760	Special #1	R2_TOU_RPP

County Road 26 - Special Case #1

Summary of Assets to be Sold

Poles					
Quantity	Height	Age	Set	Residual Value	Total Asset Value
1	45	25	Earth Plus	\$753.00	\$753.00
5	40	25	Earth Plus	\$654.00	\$3,270.00
1	35	25	Earth Plus	\$539.00	\$539.00
3	35	50+	Earth Plus	\$0.00	\$0.00
10					\$4,562.00

Primary and Neutral - Wire					
Location	Line Length (m)	# of Phases	Total Length (m)	Price/metre	Total Asset Value
Along County Road 26	550	1	1100	\$3.00	\$3,300.00
Totals	550		1100		\$3,300.00

Secondary Services to Premise			
Location	Figure #	Price/Premise	Total Asset Value
House #950	9	\$140.00	\$140.00
House #931	5	\$80.00	\$80.00
House #910	1	\$140.00	\$140.00
Totals			\$360.00

Transformers				
Quantity	Age	Size (KVA)	Residual Value	Total Asset Value
1	35	15	\$506.00	\$506.00
3	20	25	\$2,025.00	\$6,075.00
4				\$6,581.00

	Figure #1	Figure #2	Figure #3	Figure #4	Figure #5	Figure #6	Figure #7	Figure #8	Figure #9	Figure #10	Figure #11	Figure #12	Figure #13	Figure #14	Figure #15	Primary Wire Line
Main Page	0	0	0	0	1	5	1	2	0	0	0	0	0	0	0	
Special Case #1	1				1				1							1100
Special Case #2																
Special Case #3																
Special Case #4																
Special Case #5																
Special Case #6																
O/H	20	70	20	70		50		50		63		63				
U/G	63		63		63		63		63		63		20		20	
Primary									20	20			20		20	
Neutral									20	20			20		20	
Subtotal	1	0	0	0	2	5	1	2	1	0	0	0	0	0	0	1100
Total O/H	20	0	0	0	0	250	0	100	0	0	0	0	0	0	0	Total Secondary O/H (m)
Total U/G	63	0	0	0	126	0	63	0	63	0	0	0	0	0	0	Total Secondary U/G (m)
Total Primary	0	0	0	0	0	0	0	0	40	0	0	0	0	0	0	Total Primary (m)
Total Buss (m)	120															

POLES	30	35	40	45	50	55	Total
Main Page	0	0	0	0	0	0	0
Special Case #1		4	5	1			10
Special Case #2							0
Special Case #3							0
Special Case #4							0
Special Case #5							0
Special Case #6							0
TOTAL	0	4	5	1	0	0	10

Transformers	5	10	15	25	50	75	100	167	Total
Main Page	0	0	0	1	0	0	0	0	1
Special Case #1			1	3					4
Special Case #2									0
Special Case #3									0
Special Case #4									0
Special Case #5									0
Special Case #6									0
TOTAL	0	0	1	4	0	0	0	0	5
Sentinel Lights (Total)	0								

ASSET SUMMARY

Poles	30	35	40	45	50	55	Total		
	0	4	5	1	0	0	10		
Transformers	5	10	15	25	50	75	100	167	Total
	0	0	1	4	0	0	0	0	5
Primary Wire (metres)	1140								
Secondary O/H Wire (Metres)	490								
Secondary U/G Wire (Metres)	315								
Current Transformers	0								
Sentinel Lights	0								
Easements	0								

Geographical Distributor LTLT Customer and Asset Transfer Information

Map #	Primary Customer Name	Premise Address							Meter ID No.	Classification Figure #	Geographical Distributor Rate Class
		Number	Street	City	Postal Code	Lot	Concession	Township			
1		451	COUNTY ROAD 9	PLANTAGENET	K0B 1L0	6	4	ALFRED AND PLANTAGENET	APH5515	n/a	RES. TOU_RPP

NAME OF STREET/SUBDIVISION

If many streets involved, provide names of all the streets.

Summary of Assets to be Sold

Poles					
Quantity	Height	Age	Set	Residual Value	Total Asset Value
			Earth Plus		\$0.00
			Earth Plus		\$0.00
			Earth Plus		\$0.00
			Earth Plus		\$0.00
			Earth Plus		\$0.00
			Earth Plus		\$0.00
			Earth Plus		\$0.00
0					\$0.00

Primary and Neutral - Wire					
Location	Line Length (m)	# of Phases	Total Length (m)	Price/metre	Total Asset Value
				\$3.00	\$0.00
				\$3.00	\$0.00
Totals	0		0		\$0.00

Buss - Wire			
Location	# of Spans	Price/span	Total Asset Value
		\$180.00	\$0.00
		\$180.00	\$0.00
		\$180.00	\$0.00
Totals	0		\$0.00

Secondary Services to Premise			
Figure #	# of Premises	Price/Premise	Total Asset Value
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
Totals			\$0.00

Transformers				
Quantity	Age	Size (KVA)	Residual Value	Total Asset Value
				\$0.00
				\$0.00
				\$0.00
0				\$0.00

	Figure #1	Figure #2	Figure #3	Figure #4	Figure #5	Figure #6	Figure #7	Figure #8	Figure #9	Figure #10	Figure #11	Figure #12	Figure #13	Figure #14	Figure #15	Primary Wire Line
Main Page	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Special Case #1																
Special Case #2																
Special Case #3																
Special Case #4																
Special Case #5																
Special Case #6																
O/H	20	70	20	70		50		50		63		63				
U/G	63		63		63		63		63		63					
Primary									20	20			20		20	
Neutral									20	20			20		20	
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total O/H	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Total Secondary O/H (m)
Total U/G	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Total Secondary U/G (m)
Total Primary	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Total Primary (m)
Total Buss (m)	0															

POLES	30	35	40	45	50	55	Total
Main Page	0	0	0	0	0	0	0
Special Case #1							0
Special Case #2							0
Special Case #3							0
Special Case #4							0
Special Case #5							0
Special Case #6							0
TOTAL	0	0	0	0	0	0	0

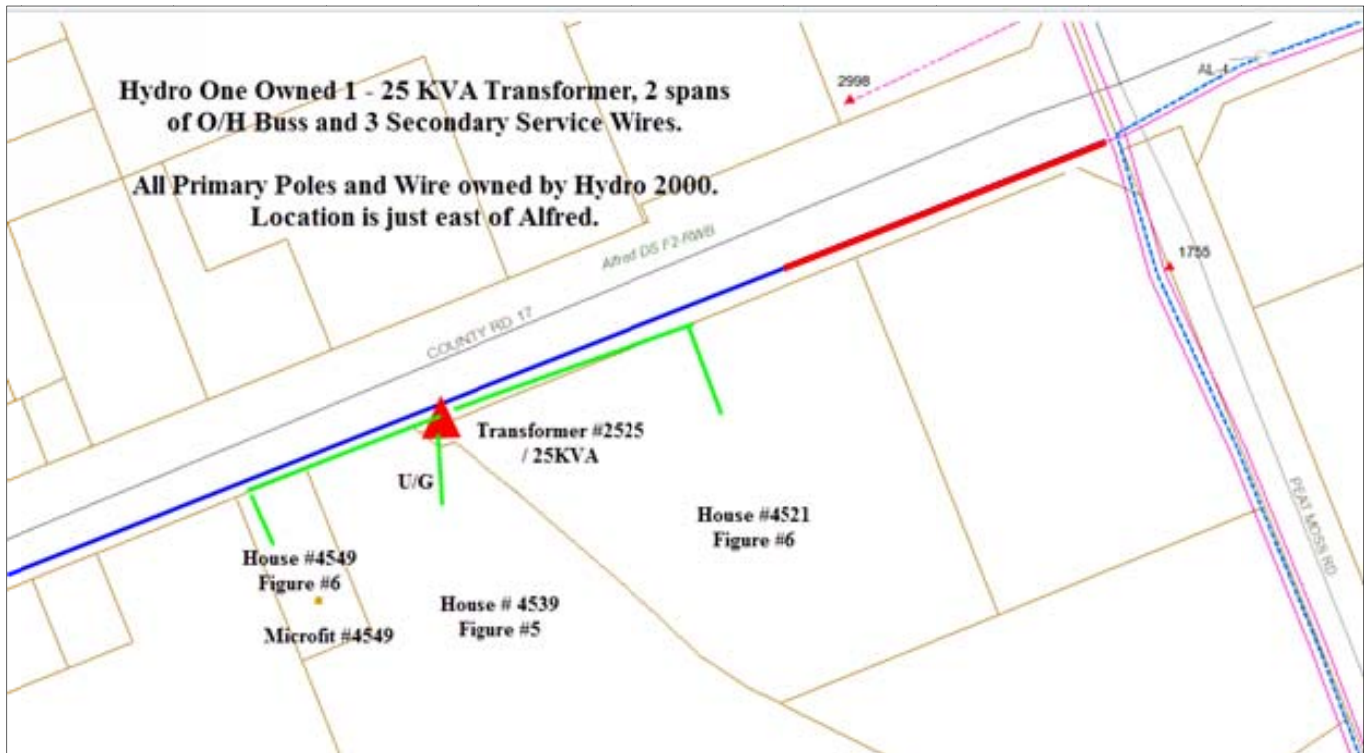
Transformers	5	10	15	25	50	75	100	167	Total
Main Page	0	0	0	0	0	0	0	0	0
Special Case #1									0
Special Case #2									0
Special Case #3									0
Special Case #4									0
Special Case #5									0
Special Case #6									0
TOTAL	0	0	0	0	0	0	0	0	0
Sentinel Lights (Total)	0								

ASSET SUMMARY

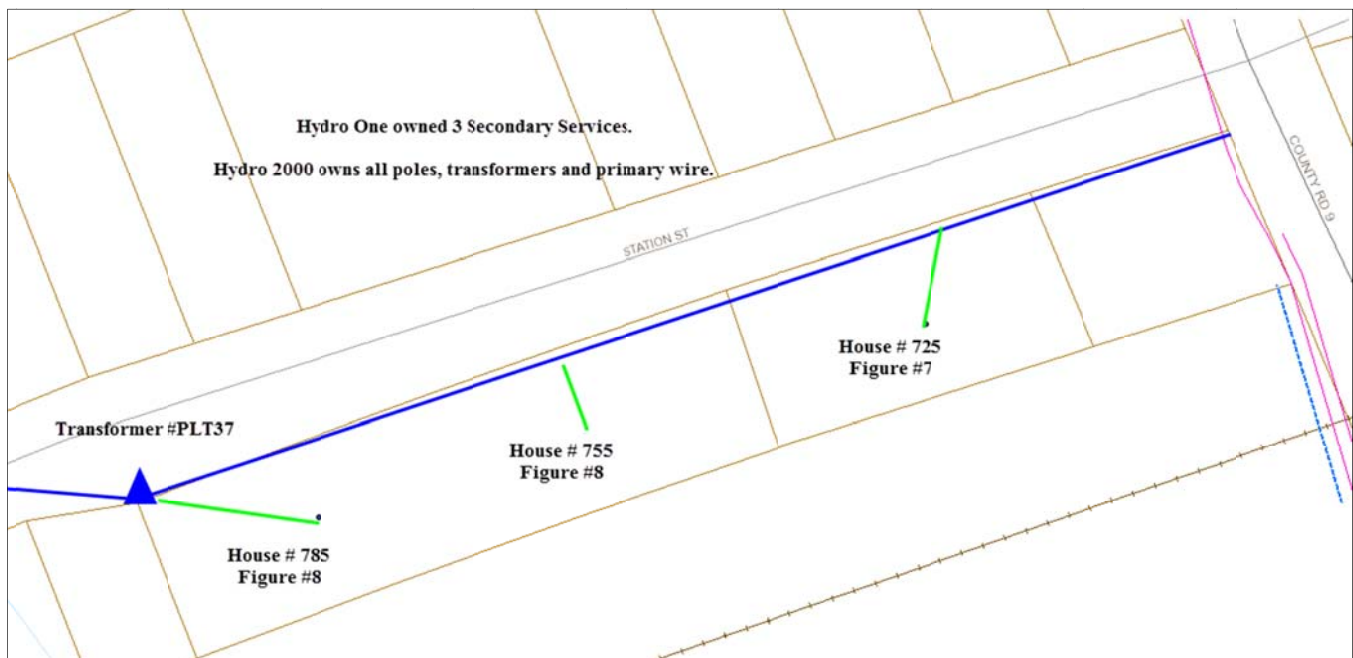
Poles	30	35	40	45	50	55	Total		
	0	0	0	0	0	0	0		
Transformers	5	10	15	25	50	75	100	167	Total
	0	0	0	0	0	0	0	0	0
Primary Wire (metres)	0								
Secondary O/H Wire (Metres)	0								
Secondary U/G Wire (Metres)	0								
Current Transformers	0								
Sentinel Lights	0								
Easements	0								

Hydro One Geographical LDC Maps for LTLT Elimination with Hydro 2000 as Physical LDC

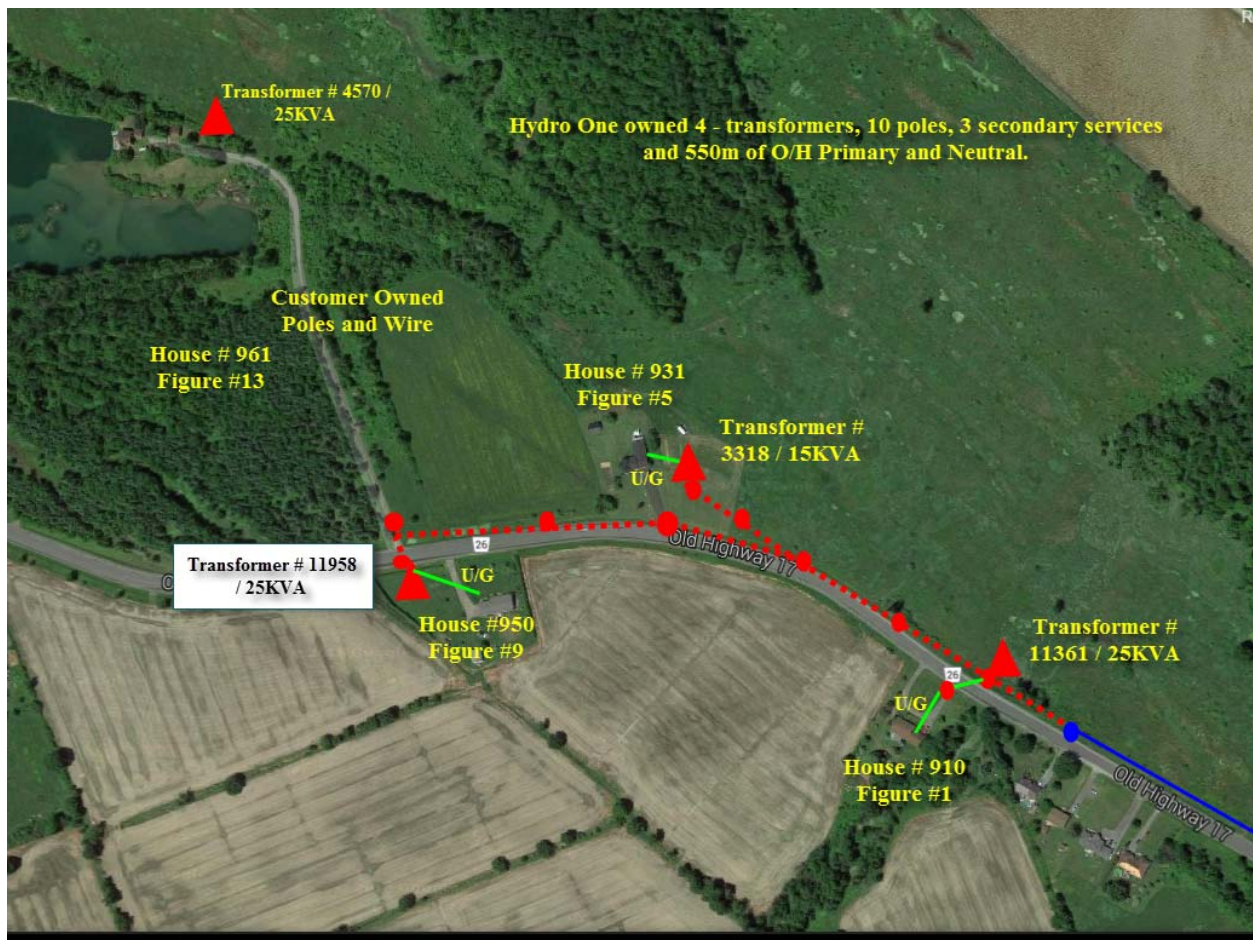
Map #1



Map #2



Map #3



Hydro 2000 Geographical LDC Maps for LTLT Elimination with Hydro One as Physical LDC

Map #1 -

