

Hydro One Networks Inc.

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Joanne Richardson

Director – Major Projects and Partnerships
Regulatory Affairs



BY COURIER

June 22, 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 Wellington North Power**

In accordance with the Distribution System Code amendments of December 21, 2015, Hydro One Networks Inc. and Wellington North Power 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 are only two customers 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 3, 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. Richard Bucknall



Ontario Energy Board

**Elimination of Load Transfer Arrangements
Between
Hydro One Networks Inc. and Wellington
North Power Inc.**

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

June 22, 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 Wellington North Power Inc. ("Wellington North") 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 Wellington North Power Inc.	Licence Number ED-2002-0511
Address: 290 Queen Street West, PO Box 359 Mount Forest, ON N0G 2L0	Telephone Number 519-323-1710
	Facsimile Number 519-323-2425
	E-mail Address: wnp@wellingtonnorthpower.com
Contact Person: Richard Bucknall Chief Administrative Officer	Telephone Number 519-323-1710
	Facsimile Number 519-323-2425
	E-mail Address wnp@wellingtonnorthpower.com

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 this application is approved, Hydro One's licence will include all of the premises in Attachment 2. These will be removed from Wellington North's licence. Once the application is approved, all of the premises listed in Attachment 1 will be included in Wellington North's licence, and removed from Hydro One's licence.</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>2 Hydro One customers are proposed to be transferred to Wellington North:</p> <ul style="list-style-type: none"> • 1 Residential Customer • 1 General Service Customer <p>2 Wellington North customers are proposed to be transferred to Hydro One:</p> <ul style="list-style-type: none"> • 2 Residential Customers

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 Wellington North.</p> <p>Please see 1.3.3.</p>
1.4.4	<p>Provide a number of customers to be transferred from Wellington North 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 Wellington North and Hydro One to their respective customers by June 22, 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. Use delivery charge on consumer's bill (including cost of losses and excluding all rate riders). 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 Wellington North Power to Hydro One Networks. Table 1 below shows the delivery impact on total bill for these residential customers at a typical monthly consumption level of 750 kWh.</p> <p>Table 1: Bill Impacts at Typical Consumption Levels for Customers Moving from Wellington North Power to Hydro One Networks (Rates as of May 1, 2016)</p> <table border="1"> <thead> <tr> <th rowspan="2">Monthly Consumption (kWh)</th><th colspan="4">Wellington North Power</th><th colspan="4">Hydro One Networks</th><th rowspan="2">Average Monthly Delivery Impact on Total Bill (\$)</th></tr> <tr> <th>Rate Class</th><th>Fixed Charge (\$)</th><th>Variable Charge (\$/kWh or \$/kW)*</th><th>Delivery Charge (\$) **</th><th>Rate Class</th><th>Fixed Charge (\$)</th><th>Variable Charge (\$/kWh or \$/kW)*</th><th>Delivery Charge (\$) **</th></tr> </thead> <tbody> <tr> <td>750</td><td>RES</td><td>23.97</td><td>0.0182</td><td>52.84</td><td>R2</td><td>41.36</td><td>0.0426</td><td>92.07</td><td>39.23</td></tr> </tbody> </table> <p>* Includes low voltage charge ** Includes RTSR charges and cost of losses.</p> <p>As shown in Table 2, customers moving from Hydro One Networks to Wellington North Power will see a reduction in their monthly delivery charges.</p> <p>Table 2: Bill Impacts at Typical Consumption Levels for Customers Moving from Hydro One Networks to Wellington North Power (Rates effective May 1, 2016)</p> <table border="1"> <thead> <tr> <th rowspan="2">Monthly Consumption (kWh)</th><th colspan="4">Hydro One Networks</th><th colspan="4">Wellington North Power</th><th rowspan="2">Average Monthly Delivery Impact on Total Bill (\$)</th></tr> <tr> <th>Rate Class</th><th>Fixed Charge (\$)</th><th>Variable Charge (\$/kWh or \$/kW)*</th><th>Delivery Charge (\$) **</th><th>Rate Class</th><th>Fixed Charge (\$)</th><th>Variable Charge (\$/kWh or \$/kW)*</th><th>Delivery Charge (\$) **</th></tr> </thead> <tbody> <tr> <td>750</td><td>R2</td><td>41.36</td><td>0.0426</td><td>92.07</td><td>RES</td><td>23.97</td><td>0.0182</td><td>52.84</td><td>(39.23)</td></tr> <tr> <td>2,000</td><td>GSe</td><td>27.94</td><td>0.0563</td><td>183.10</td><td>GS<50</td><td>41.71</td><td>0.0204</td><td>119.23</td><td>(63.87)</td></tr> </tbody> </table> <p>* Includes low voltage charge ** Includes RTSR charges and cost of losses.</p>	Monthly Consumption (kWh)	Wellington North Power				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	23.97	0.0182	52.84	R2	41.36	0.0426	92.07	39.23	Monthly Consumption (kWh)	Hydro One Networks				Wellington North Power				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	R2	41.36	0.0426	92.07	RES	23.97	0.0182	52.84	(39.23)	2,000	GSe	27.94	0.0563	183.10	GS<50	41.71	0.0204	119.23	(63.87)
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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

Include an estimate of the credit required for each customer to ensure there is not a negative impact on the total bill.

The customers moving from Wellington North Power 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 3 provides the credit amount for each residential customer moving from Wellington North Power to Hydro One Networks.

Table 3: Credit Amounts to Eliminate the Increase in Delivery Charges for Customers Moving from Wellington North Power to Hydro One Networks (Rates as of May 1, 2016)

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

As shown in Table 2 in Section 1.5.1, customers moving from Hydro One Networks to Wellington North Power will see a reduction in their monthly delivery charges. As such, no credits are required for these customers.

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 \(File No.: EB-2015-0006\)](#)".

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. (Attach a detailed list of assets to be sold including value of assets) See Attachments 1 and 2.
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. 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.
2.1.3	Indicate which distributor’s customers are currently served by the assets. 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.

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 (NBV). Attach the details of the associated cash consideration to be given and received by each of the parties to the transaction. Hydro One will sell the assets servicing the subject Geographical Customers to Wellington North for \$2,972 plus applicable taxes. A detailed breakdown of the assets is included in Attachment 1. Wellington North will sell the assets servicing the subject Geographical Customers to Hydro One for \$2,091 plus applicable taxes. A detailed breakdown of the assets is included in Attachment 2.
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. There are no third parties that will be impacted by this sale.

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, Regulatory Affairs	June 22, 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
<i>Richard Bucknall</i>	Richard Bucknall Chief Administrative Officer	June 7 th 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 Class
		Number	Street	City	Postal Code	Lot	Concession	Township			
1		411101	SOUTHGATE SDRD	EGREMONT	N0G 2L0	A	5	EGREMONT	J2932027	Fig.13	R2_TOU_RPP
2		15	WELLS ST E	ARTHUR		35	EOSR	ARTHUR	J2947176	Fig.7	GSE_TOURPP

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			
Location	Figure #	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	1	0	0	0	0	0	1	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	1	0	0	0	0	0	1	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	63	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	40	0	0	Total Primary (m)
Total Buss (m)	0															

POLES	30	35	40	45	50	55	Total
Main Page	0	0	1	0	0	0	1
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	1	0	0	0	1

Transformers	5	10	15	25	50	75	100	167	Total
Main Page	0	0	0	1	0	0	0	0	1
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	1	0	0	0	0	1
Sentinel Lights (Total)	0								

ASSET SUMMARY

Poles	30	35	40	45	50	55	Total		
	0	0	1	0	0	0	1		
Transformers	5	10	15	25	50	75	100	167	Total
	0	0	0	1	0	0	0	0	1
Primary Wire (metres)	40								
Secondary O/H Wire (Metres)	0								
Secondary U/G Wire (Metres)	63								
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	Township			
1		7872	Wellington Rd 109	Arthur	N0G 1A0	Wellington North	WN9087	Fig.7	R-1TOU-RPP
2		665	Eliza St	Arthur	N0G 1A0	Wellington North	WN5413	Fig.14	R-1TOU-PRR

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	1	0	0	0	0	0	0	1	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	1	0	0	0	0	0	0	1	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	63	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	1	0	0	0	0	0	1
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	1	0	0	0	0	0	1
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	1	0	0	0	0	0	1
Primary Wire (metres)	0								
Secondary O/H Wire (Metres)	0								
Secondary U/G Wire (Metres)	63								
Current Transformers	0								
Sentinel Lights	0								
Easements	0								

Hydro One Geographical LDC Maps for LTLT Elimination with Wellington North as Physical LDC

Maps Legend

	All LDC Primary Assets and Buss
	LDC Transformer
	HONI Three Phase Transformer
	HONI Transformer
	All HONI Secondary including Buss
	HONI Three Phase Primary
	HONI Single Phase Primary
	HONI Poles










Map #1 -



Map #2 –



Maps Legend

	All LDC Primary Assets and Buss
	LDC Transformer
	HONI Three Phase Transformer
	HONI Transformer
	All HONI Secondary including Buss
	HONI Three Phase Primary
	HONI Single Phase Primary
	HONI Poles
	LDC UG Secondary

Map 1



Map 2

