

**Hydro One Networks Inc.**

7<sup>th</sup> Floor, South Tower  
483 Bay Street  
Toronto, Ontario M5G 2P5  
www.HydroOne.com

Tel: (416) 345-5393  
Fax: (416) 345-5866  
Joanne.Richardson@HydroOne.com

**Joanne Richardson**

Director – Major Projects and Partnerships  
Regulatory Affairs



BY COURIER

July 11, 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 Collus PowerStream Corp.**

In accordance with the Distribution System Code amendments of December 21, 2015, Hydro One Networks Inc. and Collus PowerStream Corp. 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 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. Larry Irwin



# **Ontario Energy Board**

**Elimination of Load Transfer Arrangements  
Between  
Hydro One Networks Inc. and Collus  
PowerStream Corp.**

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

**July 11, 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 Collus PowerStream Corp. ("Collus") 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 <sup>th</sup> 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 Advisor	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 Collus PowerStream Corp.	Licence Number ED-2002-0518
Address: 43 Stewart Road Collingwood ON L9Y 4M7	Telephone Number (705)445-1800
	Facsimile Number (705)445-8267
	E-mail Address: gmcallister@collus.com
Contact Person: Glen McAllister Manager, Billing & Regulatory	Telephone Number (705)445-1800 ext 2274
	Facsimile Number Same as above
	E-mail Address Same as above

### 1.3 Description of Proposed Service Area

1.3.1	<p><b>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).</b></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 Collus' licence. Once the application is approved, all of the premises listed in Attachment 1 will be included in Collus' licence and removed from Hydro One's licence.</p>
1.3.2	<p><b>Provide maps or diagrams of the area(s) that is the subject of the SAA application.</b></p> <p>Please see Attachments 3 and 4.</p>
1.3.3	<p><b>Provide a description of the type of physical connection(s); i.e., individual customer; residential subdivision, commercial or industrial customer.</b></p> <p>4 Hydro One customers are proposed to be transferred to Collus:</p> <ul style="list-style-type: none"><li>• 2 Residential Customers</li><li>• 2 General Service Customers</li></ul> <p>1 Collus customer is proposed to be transferred to Hydro One:</p> <ul style="list-style-type: none"><li>• 1 Residential Customer</li></ul>

### 1.4 Information on Affected Load Transfer Customers

1.4.1	<p><b>Provide a total number of load transfer arrangements between distributors.</b></p> <p>Please see 1.3.3.</p>
1.4.2	<p><b>Provide a number of load transfers eliminated in this application.</b></p> <p>Please see 1.3.3.</p>
1.4.3	<p><b>Provide a number of customers to be transferred from Hydro One to Collus.</b></p> <p>Please see 1.3.3.</p>
1.4.4	<p><b>Provide a number of customers to be transferred from Collus to Hydro One.</b></p> <p>Please see 1.3.3.</p>
1.4.5	<p><b>Provide a list of affected load transfer customers.</b> <b>(Customer listing must include customer address, name, billing address, rate class and meter number)</b></p> <p>Please see Attachments 1 and 2.</p>
1.4.6	<p><b>Provide written confirmation that all affected persons have been provided with specific and factual information about the service area amendment(s).</b></p> <p>Letters informing customers of the proposed amendments will be sent by both Collus and Hydro One to their respective customers by July 11, 2016.</p>

## 1.5 Impacts Arising from the Amendment(s)

1.5.1

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.

The delivery charges will increase for the customer moving from Collus to Hydro One. Table 1 below shows the delivery impact on total bill for this residential customer at a typical monthly consumption level of 750 kWh.

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

Monthly Consumption (kWh)	Collus PowerStream				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	13.83	0.0168	41.59	R2	41.36	0.0426	92.07	50.48

\* Includes low voltage charge

\*\* Includes RTSR charges and cost of losses.

As shown in Table 2, customers moving from Hydro One to Collus will see a reduction in their monthly delivery charges.

**Table 2: Bill Impacts at Typical Consumption Levels for Customers Moving from Hydro One to Collus (Rates effective May 1, 2016)**

Monthly Consumption (kWh)	Hydro One Networks				Collus PowerStream				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	R1	30.11	0.0299	69.04	RES	13.83	0.0168	41.59	(27.45)
750	R2	41.36	0.0426	92.07	RES	13.83	0.0168	41.59	(50.48)
2,000	GSe	27.94	0.0563	183.10	GS<50	20.65	0.0152	87.15	(95.95)

\* Includes low voltage charge

\*\* Includes RTSR charges and cost of losses.

1.5.2

**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.**

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

1.5.3

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

N/A – please see 1.5.2

1.5.4

**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.**

Please see Part 2

## 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 customer moving from Collus to Hydro One will receive a monthly bill credit to offset the increase in delivery charges<sup>1</sup>. 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 Collus to Hydro One.

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

Index	Average Monthly Consumption (kWh)	<u>Collus PowerStream</u>		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 to Collus will see a reduction in their monthly delivery charges. As such, no credits are required for these customers.

<sup>1</sup> 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	<b>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)</b> See Attachments 1 and 2.
2.1.2	<b>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.</b> 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	<b>Indicate which distributor’s customers are currently served by the assets.</b> 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	<b>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.</b> Hydro One will sell the assets servicing the subject Geographical Customers to Collus for \$1,409 plus applicable taxes. A detailed breakdown of the assets is included in Attachment 1.  There are no assets for Collus to sell to Hydro One in order to service the Geographical Customer. Hydro One already owns the equipment servicing this customer.  Please note that asset valuation was determined using the Load Transfer Asset Valuation Scenarios and Residual Value Tables provided by the OEB on March 30, 2016.
2.2.2	<b>Will the transfer impact any other parties (e.g. joint users of poles) including any agreements with third parties? If yes, please specify how.</b>  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 Original Signed by Joanne Richardson	Name and Title of Key Individual Joanne Richardson Director - Major Projects and Partnerships, Regulatory Affairs	Date  July 11, 2016
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(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  Original Signed by Larry Irwin	Name and Title of Key Individual Larry Irwin VP Operations Collus PowerStream Corp.	Date  July 11, 2016
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(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
		No.	Street	City	Postal Code	Lot	Concession	Township			
1		189	PEEL ST	THE BLUE MOUNTAINS	L9Y 3V9	35	10	THE BLUE MOUNTAINS	J3229353	Fig.3	R2_TOU_RPP
2		206	INDUSTRIAL ROAD	NOTAWASAGA	K1G 0Z1	24	3	NOTTAWASAGA	J3013353	Fig.3	GSE_TOURPP
2		212	INDUSTRIAL ROAD	NOTAWASAGA	K1G 0Z1	24	3	NOTTAWASAGA	J3392138	Fig.3	GSE_TOURPP
3		310	WARRINGTON RD.	NOTAWASAGA	K1S 3C5	23	1	NOTTAWASAGA	J2564030	Fig.7	R2_TOU_RPP

	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	3	0	0	0	1	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	
Neutral										20			20		20	
Subtotal	0	0	3	0	0	0	1	0	0	0	0	0	0	0	0	0
Total O/H	0	0	60	0	0	0	0	0	0	0	0	0	0	0	0	Total Secondary O/H (m)
Total U/G	0	0	189	0	0	0	63	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															0

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

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	1	0	0	0	0	1		
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)	60								
Secondary U/G Wire (Metres)	252								
Current Transformers	0								
Sentinel Lights	0								
Easements	0								

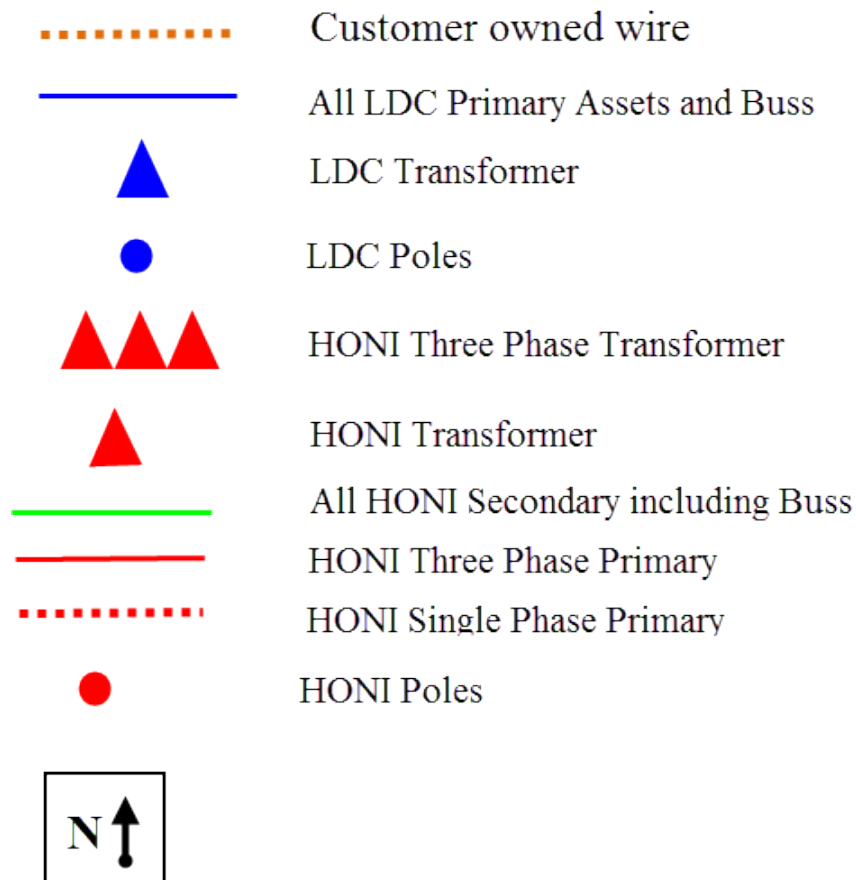
**Geographical Distributor LTLT Customer and Asset Transfer Information**

Map #	Primary Customer Name	Premise Address							Meter ID No.	Classification Figure #	Geographical Distributor Rate Class
		No.	Street	City	Postal Code	Lot	Concession	Township			
		216	Mowat St	Stayner	LOM 1S0			Township of Clearview	CP16484	Fig.14	

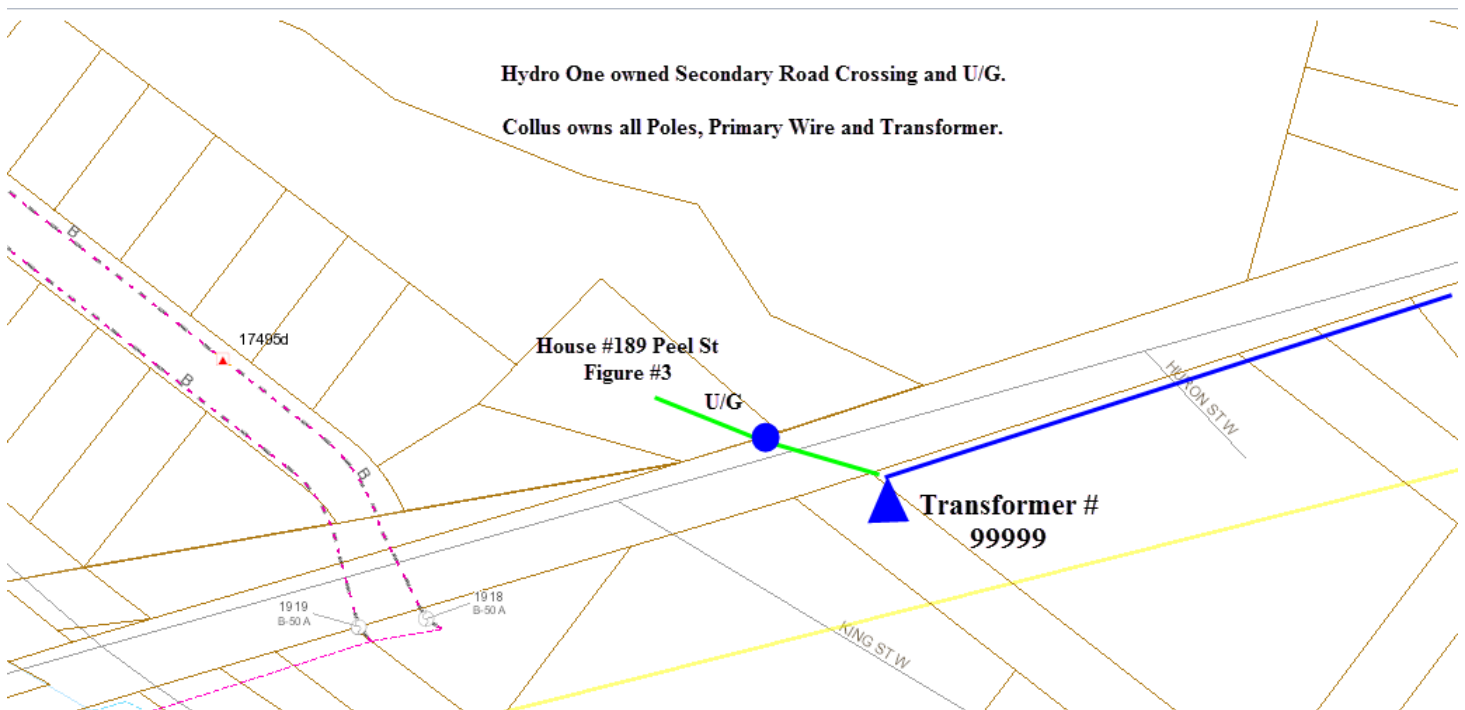
# Hydro One Geographical LDC Maps for LTLT Elimination with Collus Powerstream as Physical LDC

## Map Legend

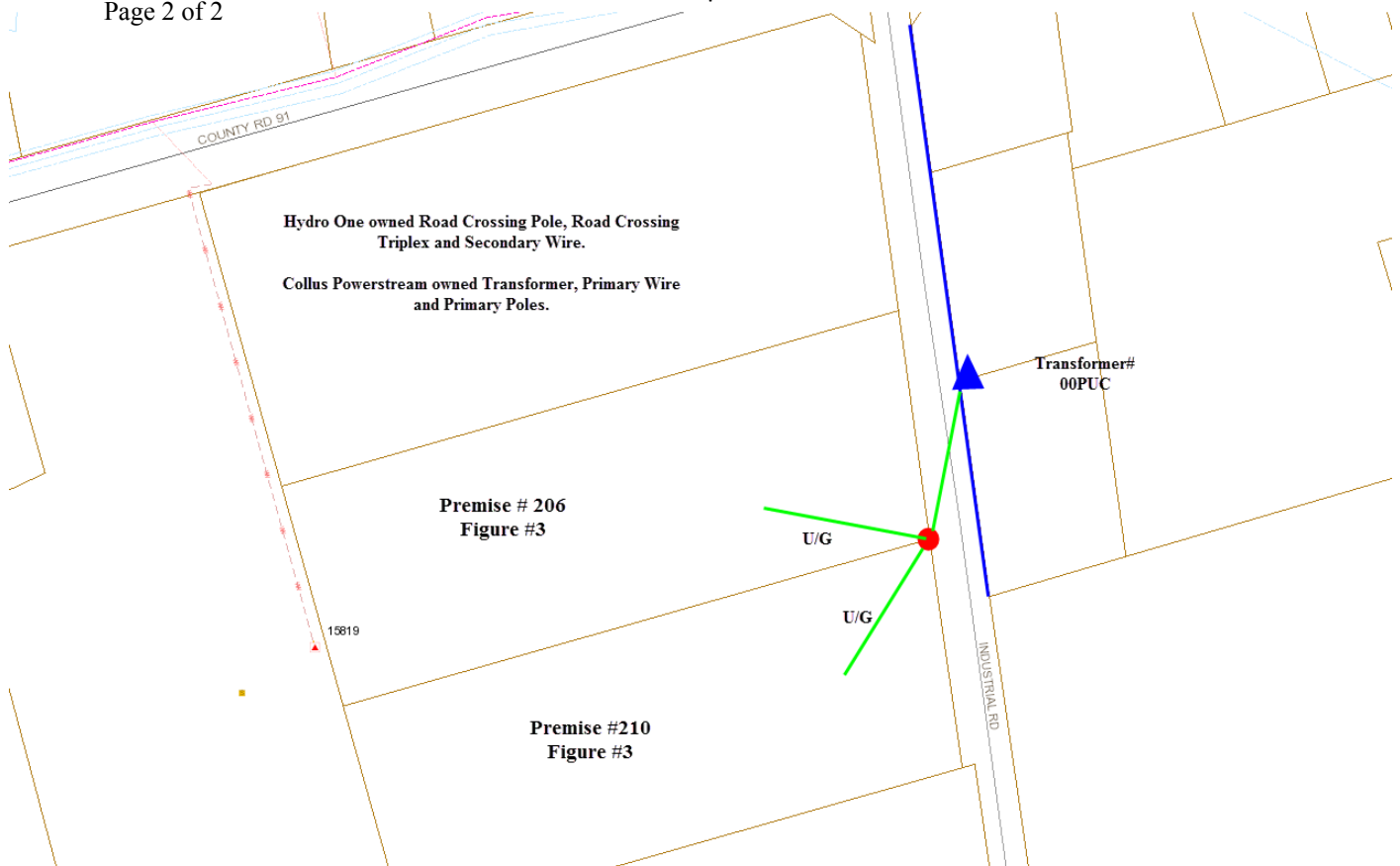
Filed: 2016-07-11  
Attachment 3  
Page 1 of 2



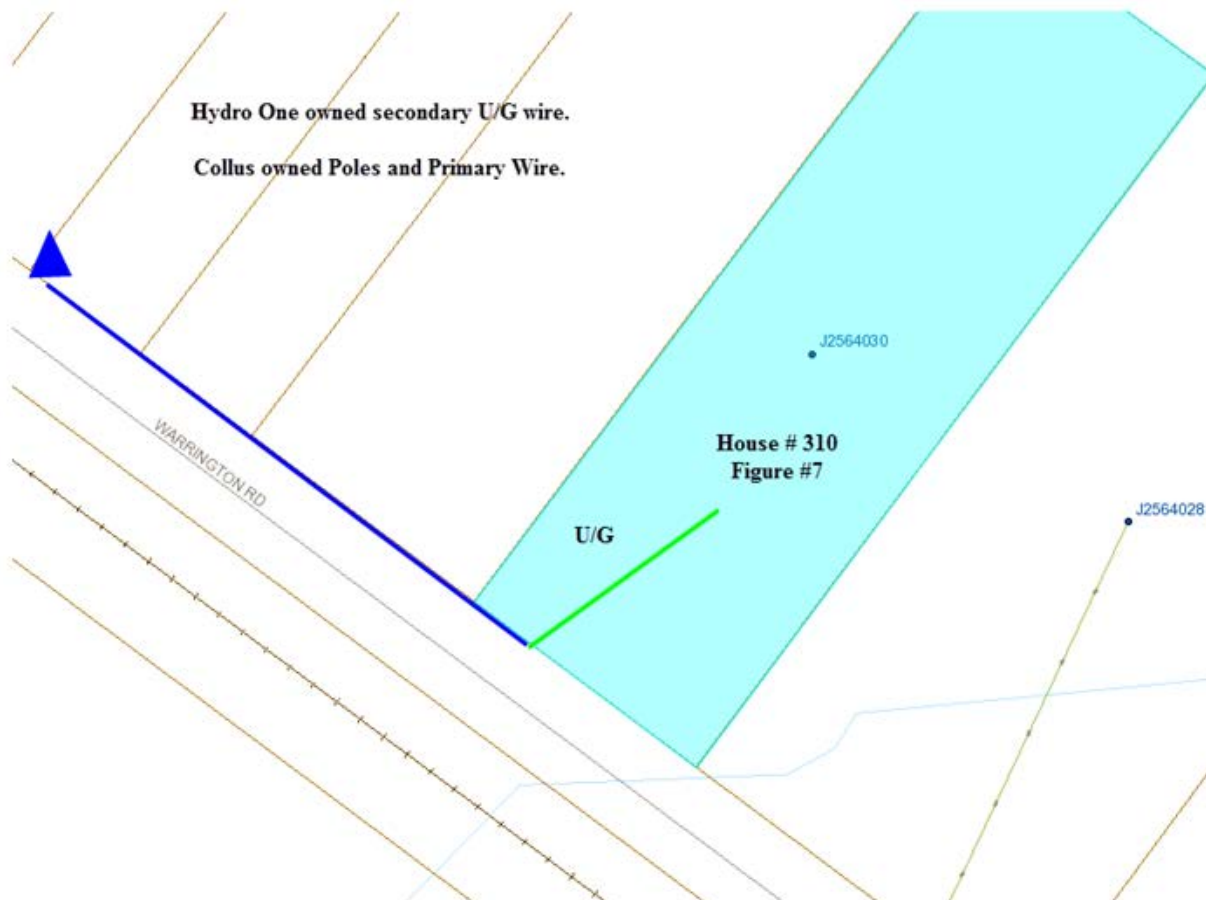
Map #1 -



Map #2 -



Map #3 -



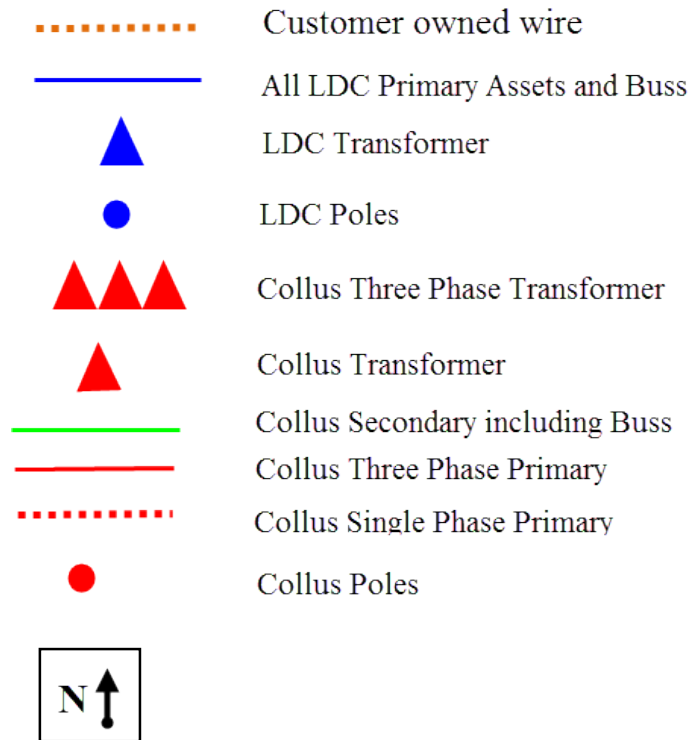
# Collus Geographical LDC Maps for LTLT Elimination with Hydro One as Physical LDC

## Map Legend

Filed: 2016-07-11

Attachment 4

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Map #1 -

