

**Hydro One Networks Inc.**

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**Joanne Richardson**

Director – Major Projects and Partnerships  
Regulatory Affairs



BY COURIER

November 23, 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 Orangeville Hydro Ltd.**

In accordance with the Distribution System Code amendments of December 21, 2015, Hydro One Networks Inc. and Orangeville Hydro Ltd. 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.

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

Sincerely,

ORIGINAL SIGNED BY JOANNE RICHARDSON

Joanne Richardson

Attachment  
cc. Ruth Tyrrell



# **Ontario Energy Board**

## **Elimination of Load Transfer Arrangements Between Hydro One Networks Inc. and Orangeville Hydro Limited**

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

**November 23, 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 Orangeville Hydro Limited (“Orangeville”) 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 Orangeville Hydro Limited	Licence Number ED-2002-0500
Address: 400 C Line Road Orangeville, ON L9W 3Z8	Telephone Number 519 942 - 8000
	Facsimile Number
	E-mail Address:
Contact Person: Ruth Tyrrell	Telephone Number 519-942-8000
	Facsimile Number 519-941-6061
	E-mail Address rtyrrell@orangevillehydro.on.ca

### 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 1. These will be removed from Orangeville's licence.</p> <p>Hydro One's licence will contain amendments to Appendix B Tab 4 as per the following:</p> <p>Name of Municipality: Town of Orangeville Formerly Known As: Area Not Served By Networks: The area served by Orangeville Hydro Limited described as the Town of Orangeville as more particularly set out in Licence No. ED-2002-0500</p> <p>Orangeville's license will contain amendments as per the following:</p> <ol style="list-style-type: none"> <li>1. The Town of Orangeville as of September 30, 2000. <ol style="list-style-type: none"> <li>a. Excluding the existing customer located on the easterly 300 meters of the said East Half of Lot 1, Concession1 West of Hurontario Street within PIN 34020-0053 (LT).</li> </ol> </li> </ol> <p>A diagram of the excluded premise is provided as Attachment 3</p>
1.3.2	<p><b>Provide maps or diagrams of the area(s) that is the subject of the SAA application.</b> Please see Attachments 2.</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>2 Orangeville customers are proposed to be transferred to Hydro One:</p> <ul style="list-style-type: none"> <li>• 1 General Service Customer</li> <li>• 1 unmetered scattered load customer</li> </ul> <p>No Hydro One customers are proposed to be transferred to Orangeville:</p>

### 1.4 Information on Affected Load Transfer Customers

1.4.1	<p><b>Provide a total number of load transfer arrangements between distributors.</b> Please see 1.3.3.</p>
1.4.2	<p><b>Provide a number of load transfers eliminated in this application.</b> Please see 1.3.3.</p>
1.4.3	<p><b>Provide a number of customers to be transferred from Hydro One to Orangeville.</b> Please see 1.3.3.</p>
1.4.4	<p><b>Provide a number of customers to be transferred from Orangeville to Hydro One.</b> 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> Please see Attachment 1.</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> Letters informing customers of the proposed amendments were sent by Orangeville to their respective customers on Nov. 3, 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.**

### 1.5.1 Customers moving from Orangeville Hydro Limited to Hydro One Networks

The delivery charges will increase for the customers moving from Orangeville to Hydro One. Table 1 shows the delivery impact on total bill for general service (less than 50 kW) and unmetered (USL) customers at the typical monthly consumption level.

**Table 1: Bill Impact at the Typical Consumption Level for the Customers Moving from Orangeville Hydro Limited to Hydro One Networks at Current Rates**

Monthly Consumption (kWh)	Orangeville Hydro Limited				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 (\$) **	
2,000	GS<50	32.19	0.0113	86.63	Gse	27.94	0.0563	183.10	96.47
2,000	Unmetered	6.14	0.0101	63.68	GSe	27.94	0.0563	183.10	119.43

\* Includes low voltage charge

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

The customer moving from Orangeville to Hydro One will receive a monthly bill credit to offset the increase in delivery charges<sup>1</sup>. In accordance with the OEB direction provided in "Amendments to the Distribution System Code", the credit is calculated using the customer's average monthly consumption over the most recent 12 months at the time the application is filed for the OEB's approval. Orangeville has provided the average monthly consumption for the customer, based on the most recent 12 months of actual billing data. 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 customers moving from Orangeville to Hydro One.

### 1.5.2 Customers moving from Hydro One Networks to Orangeville Hydro Limited

There are no customers moving from Hydro One to Orangeville.

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

1.5.2	<p><b>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.</b></p> <p>No assets will be stranded as a result of this amendment.</p>																									
1.5.3	<p><b>Identify costs for stranded equipment that would need to be de-energized or removed.</b></p> <p>N/A – please see 1.5.2</p>																									
1.5.4	<p><b>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.</b></p> <p>Please see Part 2</p>																									
1.5.5	<p><b>Include an estimate of the credit required for each customer to ensure there is not a negative impact on the total bill.</b></p> <p><b>Table 2: Credit Amount to Eliminate the Increase in Delivery Charges for the Customer Moving from Orangeville Hydro Limited to Hydro One Networks at Current Rates</b></p> <table border="1"> <thead> <tr> <th rowspan="2">Index</th><th rowspan="2">Average Monthly Consumption (kWh)</th><th colspan="2">Orangeville Hydro Limited (Rates effective May 1, 2016)</th><th colspan="2">Hydro One Networks (Rates effective January 1, 2016)</th><th rowspan="2">Monthly Credit (\$)</th></tr> <tr> <th>Rate Class</th><th>Delivery Charges (\$)</th><th>Rate Class</th><th>Delivery Charges (\$)</th></tr> </thead> <tbody> <tr> <td>Cust1</td><td>651.25</td><td>GS&lt;50</td><td>50.45</td><td>GSe</td><td>79.00</td><td>28.55</td></tr> <tr> <td>Cust2</td><td>786.08</td><td>Unmetered</td><td>28.75</td><td>GSe</td><td>89.40</td><td>60.65</td></tr> </tbody> </table>	Index	Average Monthly Consumption (kWh)	Orangeville Hydro Limited (Rates effective May 1, 2016)		Hydro One Networks (Rates effective January 1, 2016)		Monthly Credit (\$)	Rate Class	Delivery Charges (\$)	Rate Class	Delivery Charges (\$)	Cust1	651.25	GS<50	50.45	GSe	79.00	28.55	Cust2	786.08	Unmetered	28.75	GSe	89.40	60.65
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## **PART II:       TRANSFER OF ASSETS (S. 86(1)(b))**

### **2.1       Description of the Assets to Be Transferred**

2.1.1	<p><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></p> <p>There are no assets being transferred in this transaction. The Orangeville customers that will be transferred to Hydro One are already supplied using assets owned by Hydro One.</p>
2.1.2	<p><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></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 Attachment 2 for maps indicating the location of the assets.</p>
2.1.3	<p><b>Indicate which distributor’s customers are currently served by the assets.</b></p> <p>Currently the assets are being used to service the geographical distributor’s customers (Orangeville). Once the application is approved, the assets will continue to service the same customers they currently service as the customers will be transferred from the geographical distributor to the physical distributor, Hydro One.</p>

### **2.2       Description of the Sale Transaction**

2.2.1	<p><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></p> <p>N/A – please refer to 2.1.1.</p>
2.2.2	<p><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></p> <p>There are no third parties that will be impacted by this sale.</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 ORIGINAL SIGNED BY JOANNE RICHARDSON	Name and Title of Key Individual Joanne Richardson Director - Major Projects and Partnerships, Regulatory Affairs	Date  November 23, 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 RUTH TYRRELL	Name and Title of Key Individual Ruth Tyrrell Chief Corporate Officer	Date  November 10, 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.)

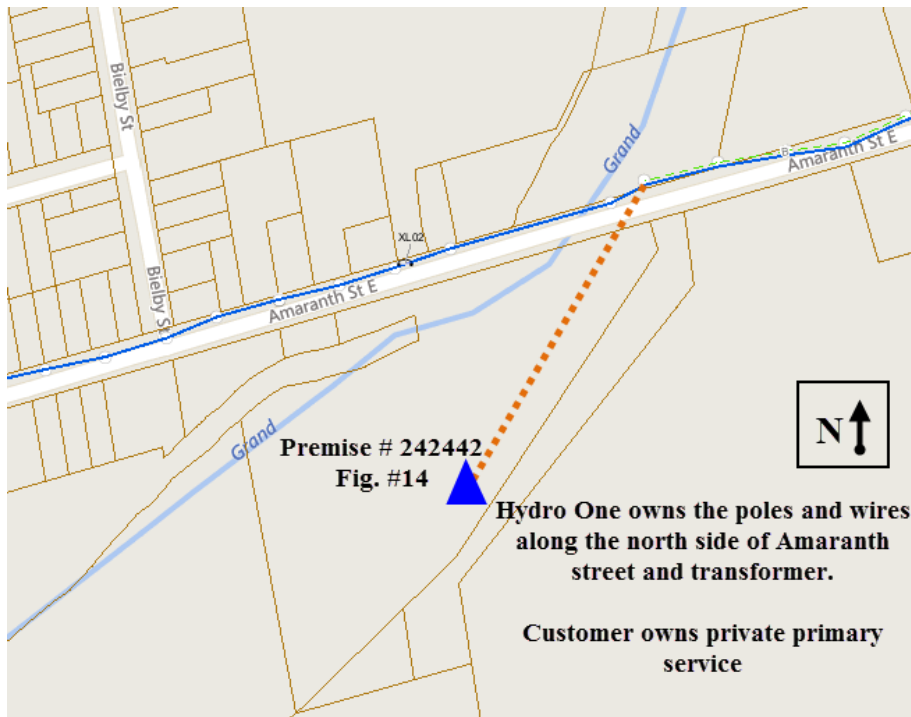


**Geographical Distributor LTLT Customer and Asset Transfer Information**

Map #	Primary Customer Name	Premise Address							Meter Information	Classification Figure #
		Number	Street	City	Postal Code	Lot	Concession	Township	Meter ID No.	
1		242442	Concession Road 2-3	Grand Valley	L9W 5S6	Part Lot 31/32	Concession Road 2-3	Grand Valley	OV22802	Fig. #14
2		673067	Hurontario Street	Orangeville	L9W 2Y9				N/A (Flat Rate)	Fig. #8

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

Map #1 -



Map #2 -

