

January 18, 2017

Ms. Kirsten Walli Board Secretary Ontario Energy Board P.O. Box 2319 27th Floor 2300 Yonge Street Toronto, ON M4P 1E4 55 Taunton Road East

Ajax, ON L1T 3V3

TEL (905) 427-9870

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www.veridian.on.ca

Dear Ms. Walli:

Re: Service Area Amendment Application for Veridian Connections Inc. and Hydro One Networks Inc.

Please find attached a Service Area Amendment ("SAA") application for Veridian Connections Inc. ("Veridian") with a letter of consent provided by Hydro One Networks Inc. ("Hydro One").

Veridian submits that there will be no adverse impacts on existing customers, and therefore ask that the Board dispose of the proceeding without a hearing under Section 21(4)(b) of the *Ontario Energy Board Act, 1998.*

The application has been prepared in accordance with the Board's Filing Requirements for Service Area Amendment Applications dated March 12, 2007.

Should you have any questions on this application, please do not hesitate to contact me.

Yours truly,

Original signed by

Steve Zebrowski Manager of Regulatory Affairs and Conservation Veridian Connections Inc.

cc: Joanne Richardson, Hydro One Networks Inc.

Application for Service Area Amendment in the Township of Brock - Sunderland

Veridian Connections Inc.

January 18, 2017

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.

This application for a service area amendment ("SAA") addresses the expansion of Veridian Connections Inc.'s ("Veridian") Brock-Sunderland service territory into Hydro One Networks Inc. ("Hydro One") existing territory. This application currently affects one (1) suburban residential developer and will impact twenty-two (22) future Residential customers.

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

Applicant:

Veridian Connections Inc. 55 Taunton Road East Ajax, Ontario L1T 3V3

Contact: George Armstrong

garmstrong@veridian.on.ca Phone: (905) 427-9870 x 2202

Fax: (905) 619-0210

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

Incumbent Distributor:

Hydro One Networks Inc.
Pasquale Catalano
Regulatory Advisor, Regulatory Affairs
483 Bay Street, 7th Floor, South Tower
Toronto, ON M5G 2P5

Telephone: (416) 345-5405 Fax: (416) 345-5866

Email: Regulatory@HydroOne.com

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

Developer:

1064055 and 1868714 Ontario Inc. 28 Sandiford Drive, Suite 201 Stouffville, ON L4A 1L8 Tel. (905) 642-8820 Fax. (905) 576-9730

Contact: Kelvin Whalen, Kaitlin Corp.

kjwhalen@kaitlincorp.com Phone: (905) 642-8820

The identities of the twenty two (22) future residential customers are currently unknown as they are not yet customers of Hydro One.

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 other distributors bordering on the area that is the subject of this SAA
application.

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.

DESCRIPTION OF PROPOSED SERVICE AREA

- This application for a service area amendment ("SAA") addresses the expansion of Veridian Connections Inc.'s ("Veridian") Brock-Sunderland service territory into Hydro One Networks Inc. ("Hydro One") existing territory. This application currently affects one (1) suburban residential developer and will impact twenty-two (22) future Residential customers.
- Although these customers are currently within Hydro One's territory, Veridian is able to connect these customers to their adjacent distribution system at a lesser cost.

7.1.3

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).

Part of lots 11 & 12, Concession 6 (Sunderland Urban Area) Township of Brock, Regional Municipality of Durham. (Concept Plan of Subdivision S-B-2005-01 and 18T-88048(Revised)).

- Map and description of proposed amendments to service areas found in Attachments A and B
- Site Plan with Veridian and Hydro One Boundary overlay has been included as Attachment C
- Draft Plan for the development, showing all phases, has been included as Attachment D

• Hydro One and Veridian Licence Amendments

Hydro One Networks Inc. (ED-2003-0043)

Name of Municipality: Township of Brock

Formerly Known As: Village of Beaverton, Village of Cannington, Township of

Brock, Township of Thorah, as at December 31, 1973.

Area Not Served By Networks: The area served by Veridian Connections Inc. described as the

former Villages of Beaverton and Cannington and the former Police Village of Sunderland (in the former Township of Brock) as more particularly set out in Licence No. ED-2002-

0503

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

Yes

served by Networks:

No

→No change required

Veridian (ED-2002-0503)

Please refer to Attachments A and B

7.1.4

Provide one or more maps or diagrams of the area that is the subject of the SAA application.

• For Section 7.1.4 (a), (b), (d) – (f) - Please refer to Attachments A - D.

7.1.4 (a)

Borders of the applicant's service area

7.1.4 (b)

Borders of the incumbent distributor's service area

7.1.4 (c)

Borders of any alternate distributor's service area

Not Applicable

7.1.4 (d)

Territory surrounding the area for which the applicant is making SAA application

7.1.4 (e)

Geographical and geophysical features of the area including, but not limited to, rivers and lakes, property borders, roads, and major public facilities

7.1.4 (f)

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)

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).

- Residential subdivision
 - Phase 1 Consisting of 90 lots, 22 of which are located in Hydro One Service Territory

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 service area amendment is intended to wholly capture the first phase of a three phase subdivision development. The remaining two phases are located in both Veridian and Hydro One service territory, however Veridian and Hydro One have yet to decide which distributor is best able to service the subsequent development phases at this time Phases 2 and 3 are scheduled to be built several years after the initial phase, and trying to compare connection costs at this time would be premature.
- Please refer to attachments C & D

7.2 EFFICIENT RATIONALIZATION OF THE DISTRIBUTION SYSTEM

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.

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.

- In order for Hydro One to service these 90 customers, Hydro One requires a 2km line expansion. Hydro One's estimated cost to connect is approximately \$750,000.
- Veridian expects it can connect these 90 customers at a cost of approximately \$286,500

7.2.1 (a)

Location of the point of delivery and the point of connection

• These customers will be served by Veridian's SUND-F2 (8.32kV) distribution feeder

7.2.1 (b)

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

• The proposed connection is approximately 100m north of Veridian's existing electricity distribution system

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 are unnecessary for the proposed SAA (Note: the Board will determine if the reason provided is acceptable).

• The fully allocated connections costs are estimated at \$286,500

7.2.1 (d)

The amount of any capital contribution required from the customer

• No capital contribution would be required from the customer

7.2.1 (e)

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

• Not applicable – No equipment will be stranded.

7.2.1 (f)

Information on whether the proposed SAA enhances, or at a minimum doses 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

• The proposed SAA will have no impact on the reliability of the existing infrastructure.

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

• Not Applicable

7.2.1 (h)

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.

• Refer to section 7.1.1(b)

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.

- For all customers moving to Veridian, the distribution rates will be lower than the equivalent current Hydro One distribution rates
- Approximate bill impact on the delivery charge for an 800 kWh residential consumer would be a decrease from \$70.63/month (R2 Low Density) to \$41.67/month.¹
- No material impacts are expected on service quality and reliability.

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.

Not Applicable

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.

• Refer to map and description in Attachments A – C

7.3.5

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

Not applicable

¹ Residential delivery charges were calculated using the OEB's estimated bill calculator http://ontarioenergyboard.ca/oeb/Consumers/Electricity/Your%20Electricity%20Utility

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.

• Not applicable - no assets are being transferred

7.3.7

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

• Refer to section 7.1.1 (b)

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 greated does the best distributor (i.e., the

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.

No new load transfers will be created as a result of the proposed SAA

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.

- The customer has been provided with specific and factual information about the proposed SAA.
- Prior to submitting an Offer to Connect to the customer, Veridian and Hydro One compared
 estimated costs to determine who could connect these 90 prospective customers in the most
 cost-effective manner. It was determined that Veridian could connect more cost-effectively,
 and therefore was to submit the final offer to connect.

7.3.11

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

• Refer to Attachment E

7.3.12

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

• Refer to Attachment F

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 – there are no adverse effects expected

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.

Refer to Attachment F

7.5 ADDITIONAL IMFORMATION 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.
 - (a) There will be no adverse impacts on the affected customers with regard to safety and reliability.
 - (b)The signature on this application acknowledges consent to dispose of this application without a hearing.

List of Attachments

ATTACHMENT 'A'

Amended Veridian Licence Map – Brock-Sunderland

ATTACHMENT 'B'

Amended Veridian Licence Description – Brock-Sunderland

ATTACHMENT 'C'

Site Plan with Veridian and Hydro One Boundary Overlay

ATTACHMENT 'D'

Concept Plan for Sunderland Meadows Development

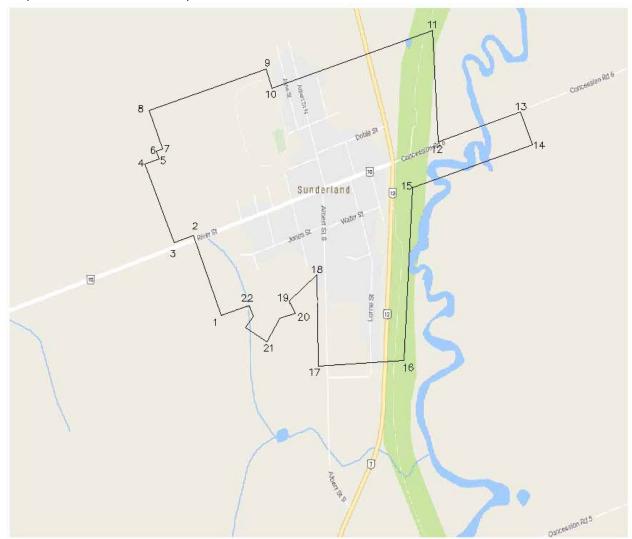
ATTACHMENT 'E'

Hydro One – Letter of Consent

ATTACHMENT 'F'

Customer – Letter of Consent

Proposed Veridian Licence Map – Brock-Sunderland



BROCK – SUNDERLAND SERVICE AREA

The alpha-numeric point numbers below refer to the reference map provided on page [TBD]27 of this document.

WESTERN BOUNDARY

- 1. Point # 1 is located 0.34 km south of River Street and 0.4 km west of Albert Street. The boundary continues north to point # 2.
- Point # 2 is located 0.14 km west of Rynard Street, on River Street. The boundary continues northturns west to point # 3.

NORTHERN BOUNDARY

- 3. Point # 3 is located 0.4808 km west of point # 2 on the north side of River Street. The boundary turns to the east at this point and continues north to point # 4, parallel to River Street.
- 4. Point # 4 is located 0.4229 km north of point # 3. The boundary turns east to point # 5.
- 5. Point # 5 is located 0. 05 km east of point # 4. The boundary turns north to point # 6.
- 6. Point # 6 is located 0.03 km north of point # 5. The boundary turns east to point # 7.
- 7. Point # 7 is located 0.02 km east of point # 6. The boundary turns north to point # 8.

NORTHERN BOUNDARY

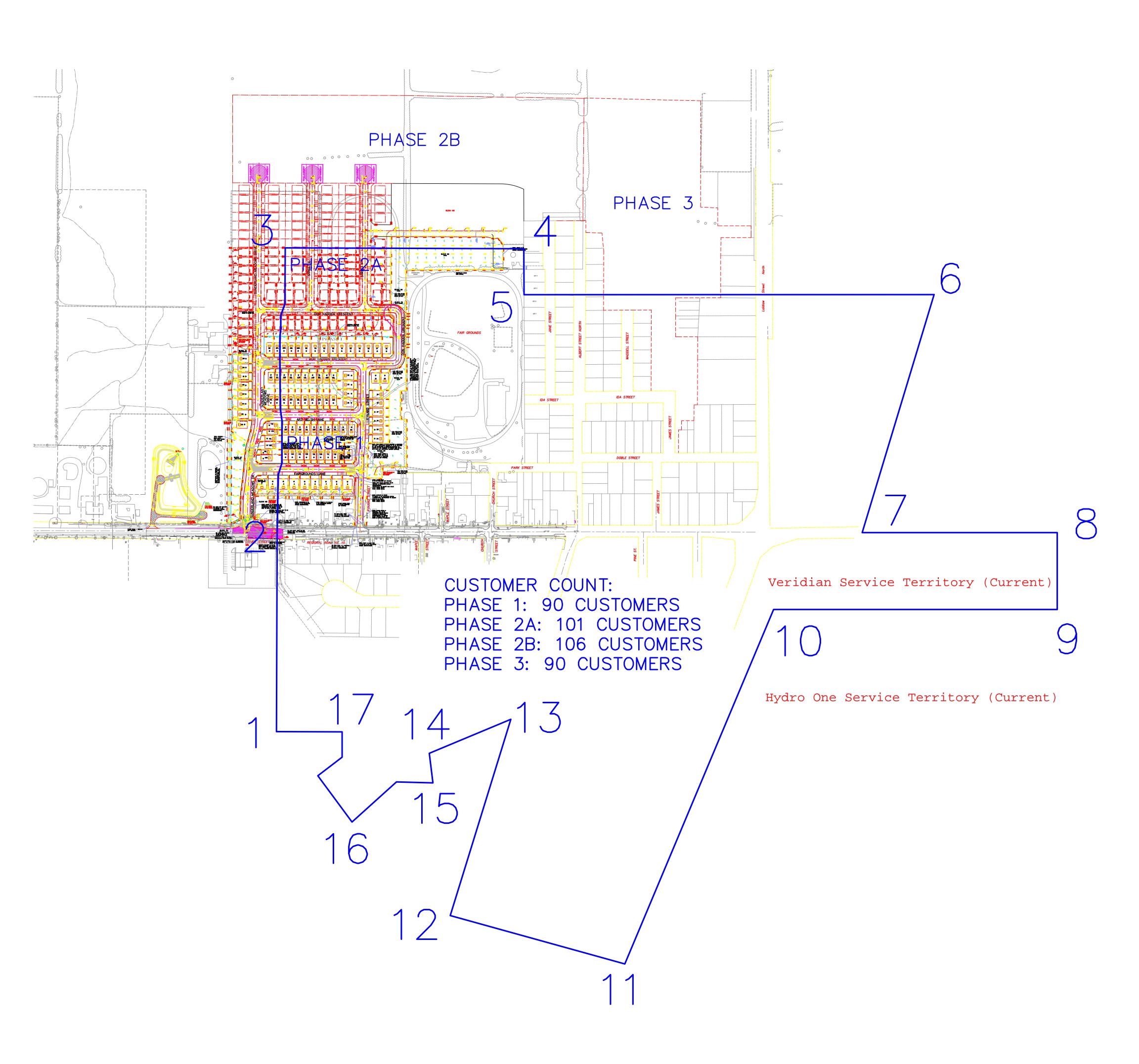
- 8. Point # 8 is located 0.15 km north of point # 7. The boundary turns east to point # 9.
- 4.9. Point # 9 is located 0.41 km east of point # 8. The boundary turns south to point # 5.10
- Point # 510 is located 0.09 km07 km south of point # 49. The boundary turns east, parallel to River Street to point # 611.
- 11. Point # 11 is located 0.69 km east of point # 10. The boundary turns south to point # 12.

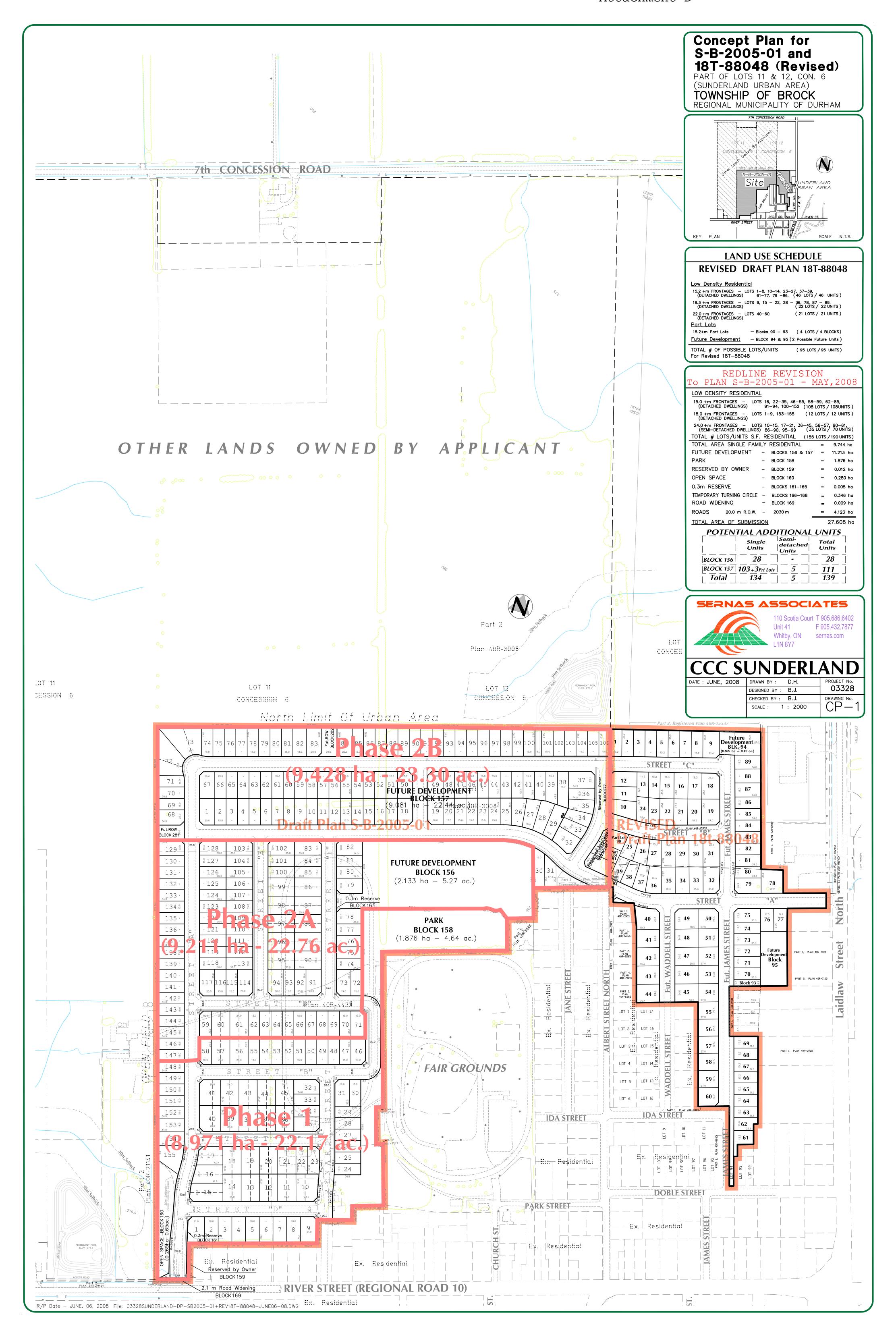
EASTERN BOUNDARY

- Point # 6 is 0.69 km east of point # 5. The boundary turns south to point # 7.
- Point # 7-12 is 0.17 km east of Hwy # 12 on Concession 6. The boundary turns east on Concession 6 to point #813.
- 8.—Point # 813 is 0.33 km east of point # 7 on Concession 6. The boundary turns south to point # 9 14.
- Point # 914 is 0.13 km south of point # 813. The boundary turns west to point # 4015, parallel to Concession 6.
- 10.15. Point # 4015 is 0.48 km west of point # 914. The boundary turns south to point # 4116, and parallel to Hwy # 12.

SOUTHERN BOUNDARY

- 41.16. Point # 41.16 is 0.6 km south of point # 10.15. The boundary turns west to point # 12.17.
- 12.17. Point # 1217 is 0.02 km north of Thompson Road on Albert Street South. The boundary turns north to point # 1318.
- 13.18. Point # 1318 is on Albert Street South, 0.30 km north of point # 1217. The boundary turns southwest to point # 1419, running along the northern property lines of the residential lots that front the north side of Rennie Street.
- 14.19. Point # 1419 is 0.19 km southwest of point # 1318 and is located at the north-west corner of the most westerly of the residential lots that front the north side of Rennie Street. The boundary turns south and runs along the western flank of the property, extending across Rennie Street to point # 1520.
- 15.20. Point # 1520 is 0.04 km south of point # 1419 and is located on the south side of Rennie Street. The boundary turns west and runs to point # 1621, following Rennie Street and then the southern flank of the most southerly residential lot that fronts the west side of Rennie Street.
- 16.21. Point # 1621 is 0.08 km west of point #1516 and is located at the south-west corner of the most southerly residential lot that fronts the west side of Rennie Street. The boundary turns northwest and runs in an uneven line to point # 1722, following the western property lines of the residential lots that front the west side of Rennie Street.
- 17.22. Point # 1722 is 0.07 km northwest of point #1621 and is located on the western property line of a residential lot that fronts the west side of Rennie Street. The boundary turns west and runs to point #1.





Hydro One Networks Inc.

7th 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

Acting Director – Major Projects and Partnerships Regulatory Affairs



BY COURIER

January 17, 2017

George Armstrong Vice President, Corporate Services Veridian Connections Inc. 55 Taunton Rd. E. Ajax, ON L1T 3V3

Dear Mr. Armstrong:

Veridian Connections Inc Application for Licence Amendment

This is to confirm that Hydro One Networks Inc. ("Hydro One") supports your application to amend Veridian Connections Inc ("Veridian") Distribution Licence as proposed in Veridian's service area amendment application and listed below for ease of reference:

Part of lots 11 & 12, Concession 6 (Sunderland Urban Area) Township of Brock, Regional Municipality of Durham. (Concept Plan of Subdivision S-B-2005-01 and 18T-88048(Revised)).

Also, Hydro One supports Veridian's request to proceed with this service area amendment without a hearing.

Sincerely,

Joanne Richardson



December 5, 2016

Ontario Energy Board P.O. Box 2319 2300 Yonge Street Toronto, Ontario, Canada M4P 1E4

Dear Sir/Madam

Re: Sunderland Meadows Phase 1 – Kaitlin Corporation Veridian Connection Inc. – Letter of Consent

My name is Enzo Bertucci and I am the Director of Land Development for Kaitlin Corporation. We are currently developing a residential development in Sunderland Ontario that is known as Sunderland Meadows Phase 1.

Please accept this letter on behalf of Kaitlin Corporation as a consent to have Veridian Connections submit a Service Amendment Application to the OEB in regards to the above mentioned project. Based on discussions with other providers we would like to have Veridian Connections as the service provider to our Sunderland Meadows Phase 1 residential development project.

Yours Truly,

Enzo Bertucci

KAITLIN COPRORATIONDirector, Land Development

28 Sandiford Drive, Suite 201, Stouffville, ON L4A 1L8 T 905-642-7050 F 905-642-8820 E info@kaitlincorp.com KaitlinCorp.com