

February 15, 2017

By RESS and Courier

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, Ontario
M4P 1E4

Dear Ms. Walli;

**Re: Load Transfer Elimination Application – A Service Area Amendment & Asset Sale
Application between Alectra Utilities Corporation (formerly Horizon Utilities Corporation) and
Burlington Hydro Inc.**

In accordance with the Distribution System Code amendments of December 21, 2015, regarding elimination of long term load transfers, Alectra Utilities Corporation (“Alectra Utilities”) and Burlington Hydro Inc. (“Burlington Hydro”) are jointly applying to the Ontario Energy Board (“OEB”) for approval to amend the service areas of both distributors that will result in the elimination of all existing load transfer arrangements between the two LDCs.

In April 2016, Horizon Utilities filed an application (the “MAADs Application”) along with Enersource Hydro Mississauga Inc. (“Enersource”), and PowerStream Inc. (“PowerStream”), (collectively, the Applicants) requesting approval to amalgamate to form Alectra Inc. (identified as “LDC Co” in the application), and for Alectra to purchase and amalgamate with Hydro One Brampton Networks Inc. (Hydro One Brampton) under section 86 of the Ontario Energy Board Act, 1998 (the “Act”).

As part of the MAADs Application, approvals were requested for: (a) transfer of the distribution licences and rate orders for each of the applicants and Hydro One Brampton to Alectra Utilities; and (b) an electricity distributor licence for Alectra Utilities.

On December 8, 2016, the OEB issued its Decision and Order in respect of the MAADs Application. In the Decision, the OEB approved the [Alectra] LDC Co licence application and the transfer of the rate orders for each of the applicants and Hydro One Brampton to [Alectra] LDC Co. The OEB found that “a transfer of the distribution licences of each of the amalgamating entities to [Alectra] LDC Co is no longer required. The licences of the amalgamating entities will be cancelled upon the effective date of [Alectra] LDC Co’s licence”.

Amendments to the Horizon Utilities distribution licence should be carried forward to the Alectra Utilities licence, as necessary.

Two hard copies of this letter and application will be couriered to the OEB.

Please do not hesitate to contact me if you have any questions.

Yours truly,

Original Signed by

Indy J. Butany-DeSouza, MBA
Vice-President, Regulatory Affairs
Tel: (905) 317-4765

Attachment

cc. Joe Saunders, Vice President Regulatory Compliance and Asset Management, Burlington Hydro

Elimination of Long Term Load Transfers

Between

Alectra Utilities Corporation

(formerly Horizon Utilities Corporation)

And

Burlington Hydro Inc.

Combined Service Area Amendment and Asset Transfer Application

Date: February 15, 2017

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5. ASSET TRANSFER INFORMATION
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7. SAMPLE CUSTOMER LETTER

PART I SERVICE AREA AMENDMENT

1.1 Basic Facts

| |
|--|
| Provide a brief description of the service area amendment |
|--|

This joint application (the “Application”) is structured to follow the filing guidelines for a Combined Service Area Amendment and Asset Transfer Application as specified by the Ontario Energy Board (“OEB” or the “Board”) in its *Notice of Amendments to the Code – Amendments to the Distribution System Code* (EB-2015-0006), dated December 21, 2015, related to the Elimination of Load Transfer Arrangements between local distribution companies (“LDCs”).

As a result of these amendments, Alectra Utilities Corporation (“Alectra Utilities”) (formerly Horizon Utilities Corporation) and Burlington Hydro Inc. (“Burlington Hydro”) are jointly applying to the OEB for approval to amend the service areas of both distributors such that all existing load transfer arrangements between the two distributors will be eliminated.

1.2 Identification of the Parties

1.2.1 Applicant

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

| | |
|---|--|
| Alectra Utilities Corporation (formerly Horizon Utilities Corporation) (Geographic Distributor) | Licence Number: Horizon Utilities: ED-2006-0031 |
| Address: 55 John Street North PO Box 2249, Station LCD 1 Hamilton, Ontario L8N 3E4 | Contact Person: Indy J. Butany-DeSouza Vice President, Regulatory Affairs |
| | Telephone Number: (905) 317-4765 |
| | Fax Number: (905) 522-6570 |
| | E-mail Address: indy.butany@alectrautilities.com |

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

| | |
|---|--|
| Burlington Hydro Inc. | Licence Number: EB-2003-0004 |
| Address: 1340 Brant Street Burlington, Ontario L7R 3Z7 | Contact Person: Joe Saunders Vice President, Regulatory Compliance and Asset Management |
| | Telephone Number: (905) 332-2258 |
| | Fax Number: (905) 332-9644 |
| | E-mail Address: jsaunders@burlingtonhydro.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 Service Area Amendment (“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. The proposed changes to Schedule 1 of the Alectra Utilities Corporation Electricity Distribution License (Alectra Utilities’ licence to be issued; formerly Horizon Utilities Corporation ED-2006-0031) and the Burlington Hydro Inc. Electricity Distribution License (ED-2003-0004) are provided in Attachment 1.</p> <p>In April 2016, Horizon Utilities filed an application (the “MAADs Application”) along with Enersource Hydro Mississauga Inc. (“Enersource”), and PowerStream Inc. (“PowerStream”), (collectively, the Applicants) requesting approval to amalgamate to form Alectra Inc. (“Alectra”), (identified as “LDC Co” in the application), and for Alectra to purchase and amalgamate with Hydro One Brampton Networks Inc. (Hydro One Brampton) under section 86 of the <i>Ontario Energy Board Act, 1998</i> (the “Act”).</p> <p>As part of the MAADs Application, approvals were requested for: (a) transfer of the distribution licences and rate orders for each of the applicants and Hydro One Brampton to Alectra Utilities; and (b) an electricity distributor licence for Alectra Utilities.</p> <p>On December 8, 2016, the OEB issued its Decision and Order in respect of the MAADs Application. In the Decision, the OEB approved the [Alectra] LDC Co licence application and the transfer of the rate orders for each of the applicants and Hydro One Brampton to [Alectra] LDC Co. The OEB found that “a transfer of the distribution licences of each of the amalgamating entities to [Alectra] LDC Co is no longer required. The licences of the amalgamating entities will be cancelled upon the effective date of [Alectra] LDC Co’s licence”.</p> |
|-------|--|

| | |
|--------------|---|
| | Amendments to the Horizon Utilities distribution licence should be carried forward to the Alectra Utilities licence, as necessary. |
| 1.3.2 | Provide maps or diagrams of the area(s) that is the subject of SAA application. Maps of areas that are the subject of this SAA application are found in Attachment 2. |
| 1.3.3 | Provide a description of the type of physical connection(s); i.e., individual customer, residential subdivision, commercial or industrial customer. Four (4) Alectra Utilities (formerly Horizon Utilities) customers are proposed to be transferred to Burlington Hydro Inc.: <ul style="list-style-type: none"> • 2 Residential Customers • 2 General Service < 50 kW Customers Individual customer names, addresses and rate classes are found in Attachment 3. |

1.4 Information on Affected Load Transfer Customers

| | |
|--------------|--|
| 1.4.1 | Provide the total number of Load Transfer Arrangements between distributors. This application addresses the elimination of an existing Long Term Load Transfer (“LTLT”) encompassing four customers in proximity to service area boundaries between Alectra Utilities and Burlington Hydro (as per 1.3.1 above). |
| 1.4.2 | Provide the number of Load Transfer Arrangements eliminated in this application. This application proposes the transfer of all four LTLT customers and associated facilities that exist in the subject service area from Alectra Utilities to Burlington Hydro. |
| 1.4.3 | Provide the number of customers to be transferred from Alectra Utilities to Burlington Hydro. See 1.4.2 above. |
| 1.4.4 | Provide the number of customers to be transferred from Burlington Hydro to Alectra Utilities. Not applicable. |

| | |
|--------------|---|
| 1.4.5 | <p>Provide the list of affected load transfer customers. (Customer listing must include customer address, name, billing address, rate class and meter number).</p> <p>Please see Attachment 3 for customer information.</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>The applicants confirm that the affected customers have been notified of the changes that result from the proposed service area amendments. Please see Attachment 7 for the standard Customer Letter.</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>Attachment 4, Table 1 provides the bill impact at typical consumption levels for customers moving from Alectra Utilities to Burlington Hydro. The result is a reduction in the monthly delivery charge. No rate mitigation is required.</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 or become redundant following the completion of this service area amendment.</p> |
| 1.5.3 | <p>Identify costs for stranded equipment that would need to be de-energized or removed.</p> <p>Not applicable.</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 Attachment 5, Table 2 for asset transfer Information.</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 Attachment 4, Table 1 for LTLT rate impacts. Customers moving from Alectra Utilities to Burlington Hydro will experience a reduction in their monthly delivery charge; no credit is required.</p> |
|--------------|--|

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>Please see Attachment 5, Table 2 for asset transfer Information.</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 is proposed to be transferred from the geographical distributor to the physical distributor. Please see Attachment 6 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>The assets are currently being used to service the geographical distributor’s customers.</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>Alectra Utilities will sell the assets servicing the subject geographical customers to Burlington Hydro for \$5,785. plus applicable taxes. Please see Attachment 5, Table 2 for details of the asset transfer information.</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>There are no third parties that will be impacted by this transfer.</p> |

PART III CERTIFICATION AND ACKNOWLEDGEMENT

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 |
|---|--|-------------|
|  | Indy J. Butany-DeSouza Vice-President, Regulatory Affairs | Feb 14/2017 |

(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:

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 |
|---|---|------------|
|  | Joe Saunders Vice President, Regulatory Compliance and Asset Management | Feb. 14/17 |

(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.)

Attachment 1

REVISIONS TO SERVICE AREA DESCRIPTIONS

The proposed revisions to Schedule 1 of Alectra Utilities Corporation's Definition of Distribution Service Area are provided below.

2. The former Town of Dundas as of December 31, 1980, now in the City of Hamilton except for the following municipal address:
 - 2000 Valley Inn Road, Hamilton, ON (Property Identification Number 17130-0016)

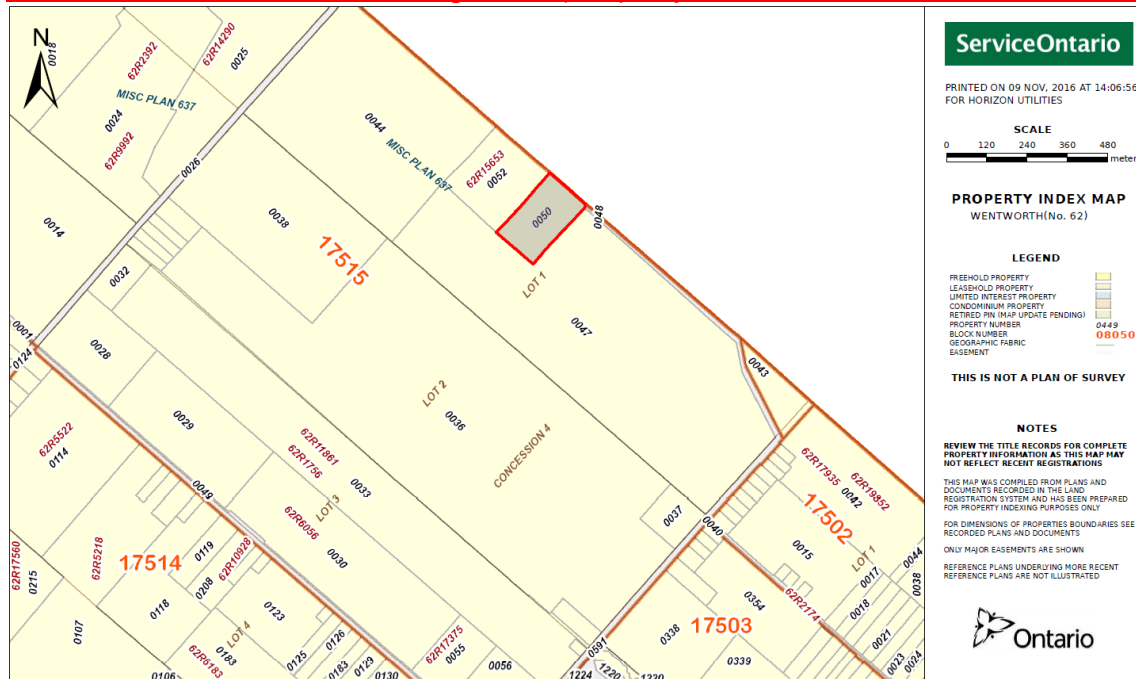
4. The former Village of Waterdown in the former Township of Flamborough as of December 31, 1980, now in the City of Hamilton except for the following municipal addresses:
 - 694 Parkside Drive, Flamborough, ON (Property Identification Number 17515-0050)
 - 702 Parkside Drive, Flamborough, ON (Property Identification Number 17515-0052)
 - 1910 King Road, Flamborough, ON (Property Identification Number 17501-0150)

The proposed revisions to Schedule 1 of Burlington Hydro Inc.'s Definition of Distribution Service Area are provided below.

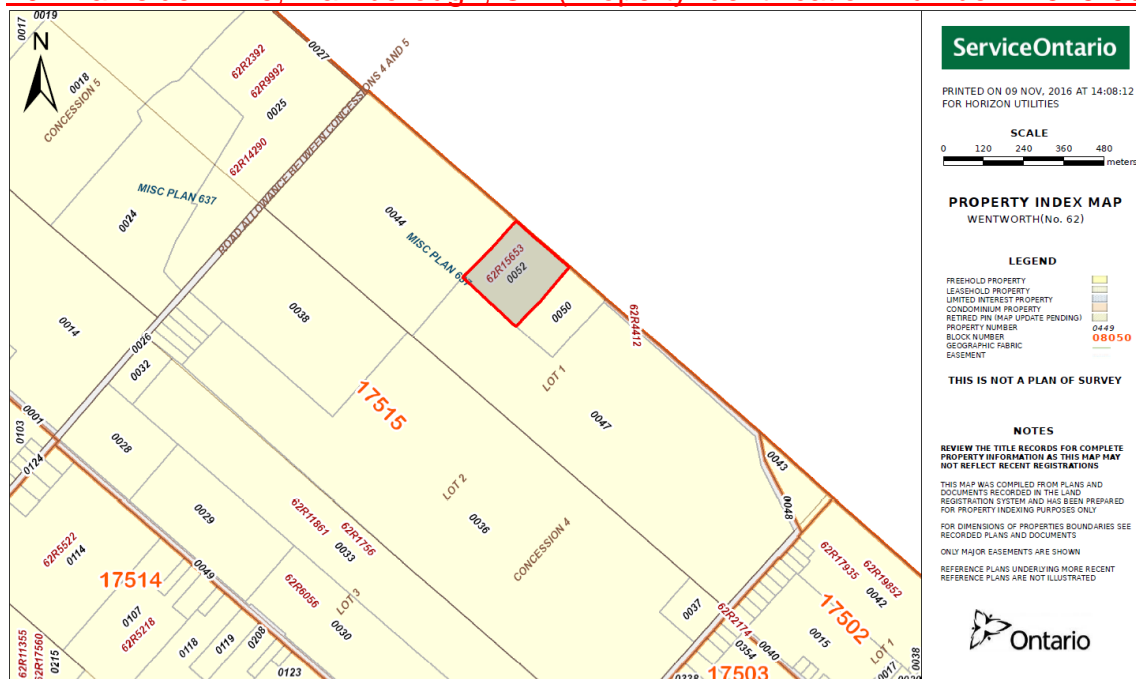
3. Customers in the City of Hamilton at the following municipal addresses:
 - 694 Parkside Drive, Flamborough, ON (Property Identification Number 17515-0050)
 - 702 Parkside Drive, Flamborough, ON (Property Identification Number 17515-0052)
 - 2000 Valley Inn Road, Hamilton, ON (Property Identification Number 17130-0016)
 - 1910 King Road, Flamborough, ON (Property Identification Number 17501-0150)

Attachment 2 Alectra Utilities / Burlington Hydro - LTLT Area Map

694 Parkside Drive, Flamborough, ON (Property Identification Number 17515-0050)

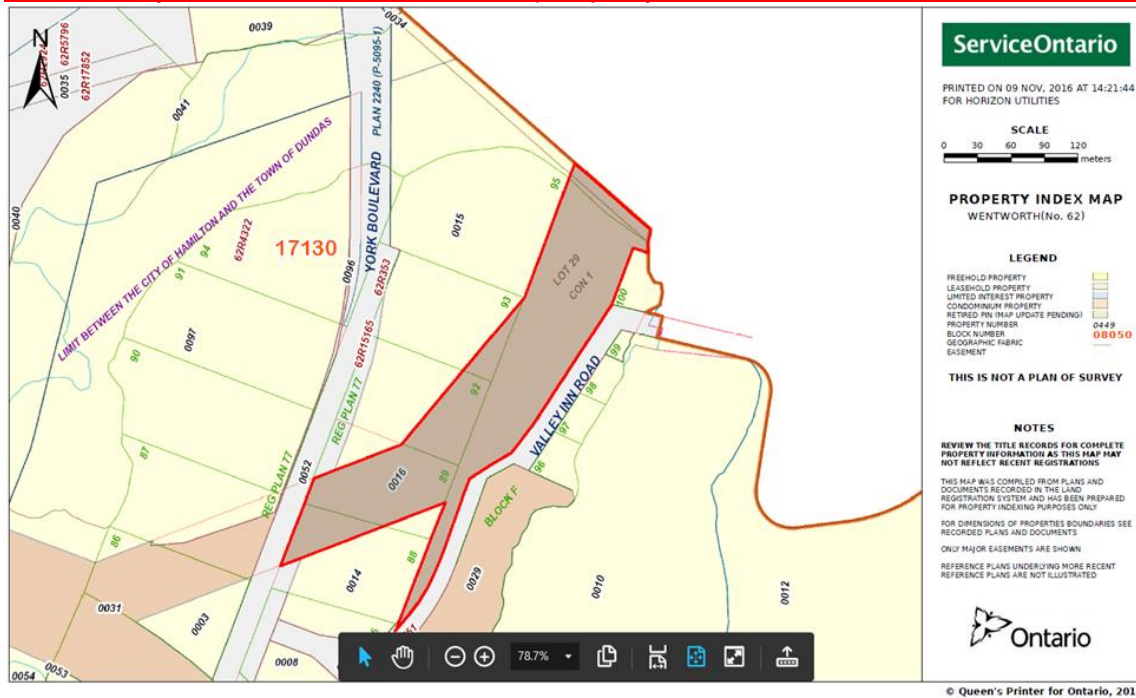


702 Parkside Drive, Flamborough, ON (Property Identification Number 17515-0052)



Attachment 2 Alectra Utilities / Burlington Hydro - LTLT Area Map

2000 Valley Inn Road, Hamilton, ON (Property Identification Number 17130-0016)



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1910 King Road, Flamborough, ON (Property Identification Number 17501-0150)



Attachment 3

Alectra Utilities / Burlington Hydro - LTLT Customer Information

| Customer | Service Address | Billing Address | Rate Class | Meter No. |
|------------|---|--|-------------|-----------|
| Customer 1 | 694 Parkside Drive Hamilton, Ontario | 1005 No 1 Side Road, Burlington, Ontario L7P 0R7 | Residential | 7129797 |
| Customer 2 | 702 Parkside Drive Hamilton, Ontario | PO Box 863 STN Waterdown, Ontario L0R 2H0 | Residential | 7033105 |
| Customer 3 | 2000 Valley Inn Road Hamilton, Ontario | CP 8103 SUCC Center Ville, Montreal, Quebec H3C 3N3 | GS<50 kW | 7145861 |
| Customer 4 | 1910, King Road Hamilton, Ontario | PO Box 4500, Concord, Ontario L4K 5E2 | GS<50 kW | 7056948 |

Attachment 4

Alectra Utilities/ Burlington Hydro - LTLT Bill Impacts

The following table provides the bill impacts at typical consumption levels for customers moving from Alectra Utilities to Burlington Hydro using rates as at January 1, 2016 for Alectra Utilities (EB-2015-0075) and rates as at May 1, 2016 for Burlington Hydro (EB-2016-0056).

Table 1: Bill Impacts excluding Rate Riders using 2016 OEB-approved Electricity Distribution Rates*

| Account Name | Rate Class | Monthly Consumption (kWh) | Alectra Utilities | | | Burlington Hydro | | | Average Monthly Delivery Impact on Total Bill (\$) |
|--------------|------------|---------------------------|-------------------|------------------------------------|-------------------------|-------------------|-----------------------------------|-------------------------|--|
| | | | Fixed Charge (\$) | Variable Charge (\$/kWh or \$/kW)* | Delivery Charge (\$)*** | Fixed Charge (\$) | Variable Charge (\$/kWh or \$/kW) | Delivery Charge (\$)*** | |
| Customer 1 | RES | 750 | \$18.80 | \$0.01216 | \$41.76 | \$15.46 | \$0.0125 | \$38.16 | (\$3.61) |
| Customer 2 | RES | 750 | \$18.80 | \$0.01216 | \$41.76 | \$15.46 | \$0.0125 | \$38.16 | (\$3.61) |
| Customer 3 | GS<50 kW | 2,000 | \$41.21 | \$0.01066 | \$96.12 | \$25.54 | \$0.0137 | \$86.39 | (\$9.74) |
| Customer 4 | GS<50 kW | 2,000 | \$41.21 | \$0.01066 | \$96.12 | \$25.54 | \$0.0137 | \$86.39 | (\$9.74) |

* Includes low voltage charge

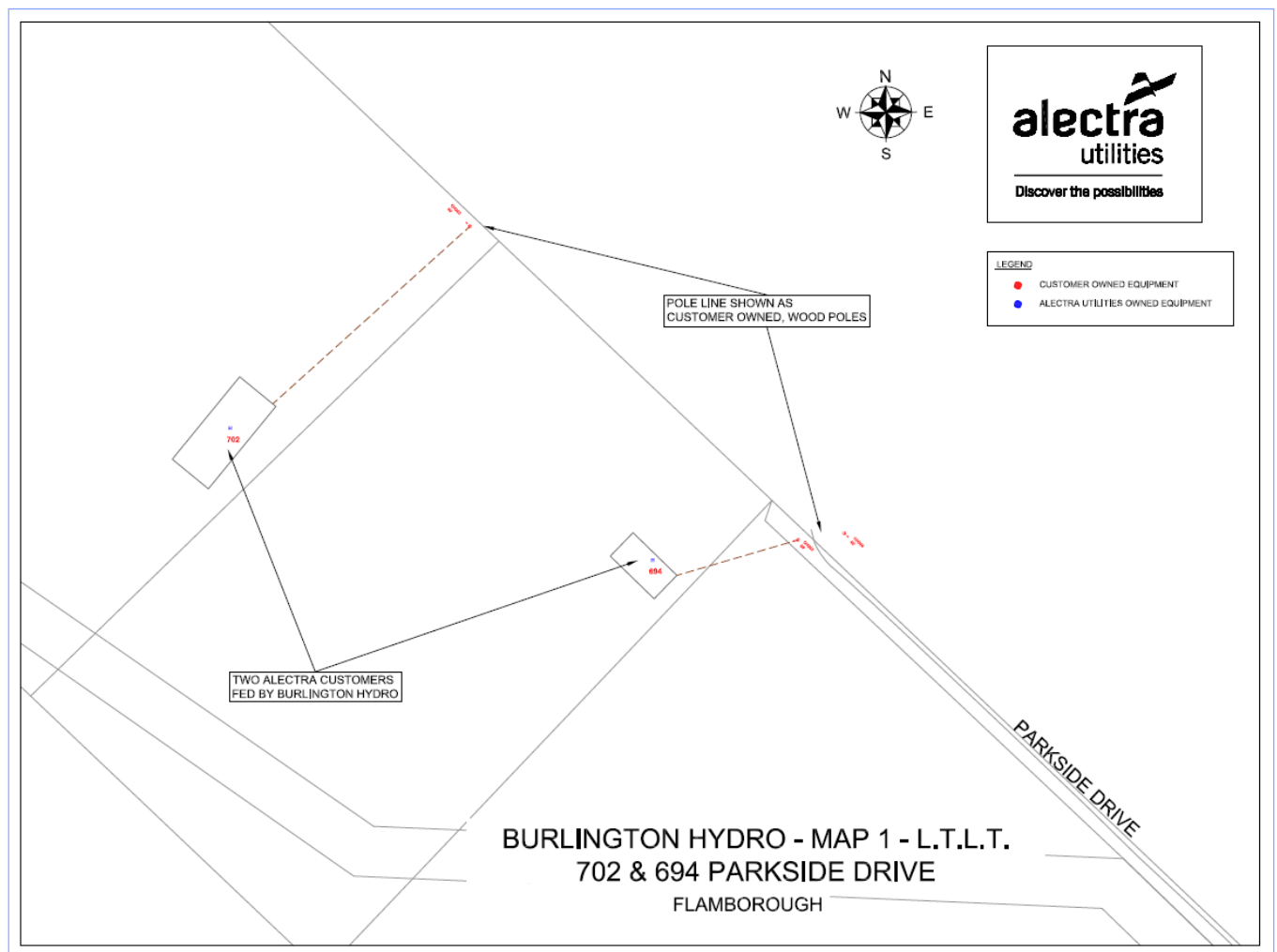
*** Includes RTSR charges and cost of losses.

| Transformers | | | | | | | |
|--------------------------------------|---------------|---------|-----|-------|-------------|----------------------|-------------------|
| Customer | Transformer # | Map No. | kVA | Phase | Age (Years) | Residual Value (Ea.) | Total Asset Value |
| 2000 Valley Inn Road | 5804 | 2 | 50 | 1 | 25 | \$1,819 | \$1,819 |
| 1910 King Road | 200405 | 3 | 25 | 1 | 7 | \$3,038 | \$3,038 |
| Total Residual Value of Transformers | | | | | | | \$4,857 |
| Total Value of Asset Transfer | | | | | | | \$5,785 |

Attachment 6

Alectra Utilities/ Burlington Hydro - LTLT Asset Transfer Maps

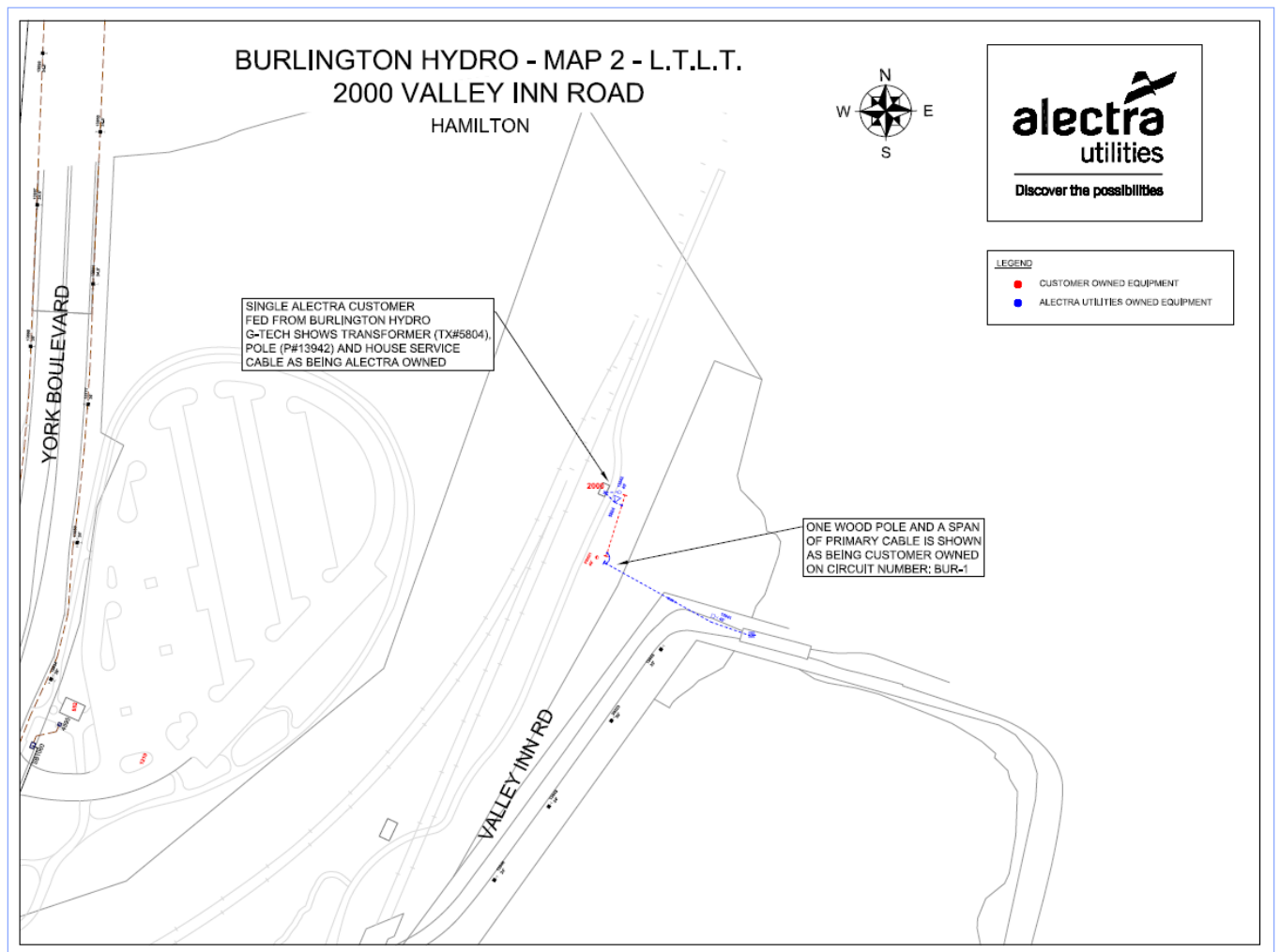
Map #1 694 and 702 Parkside Drive



Attachment 6

Alectra Utilities/ Burlington Hydro - LTLT Asset Transfer Maps

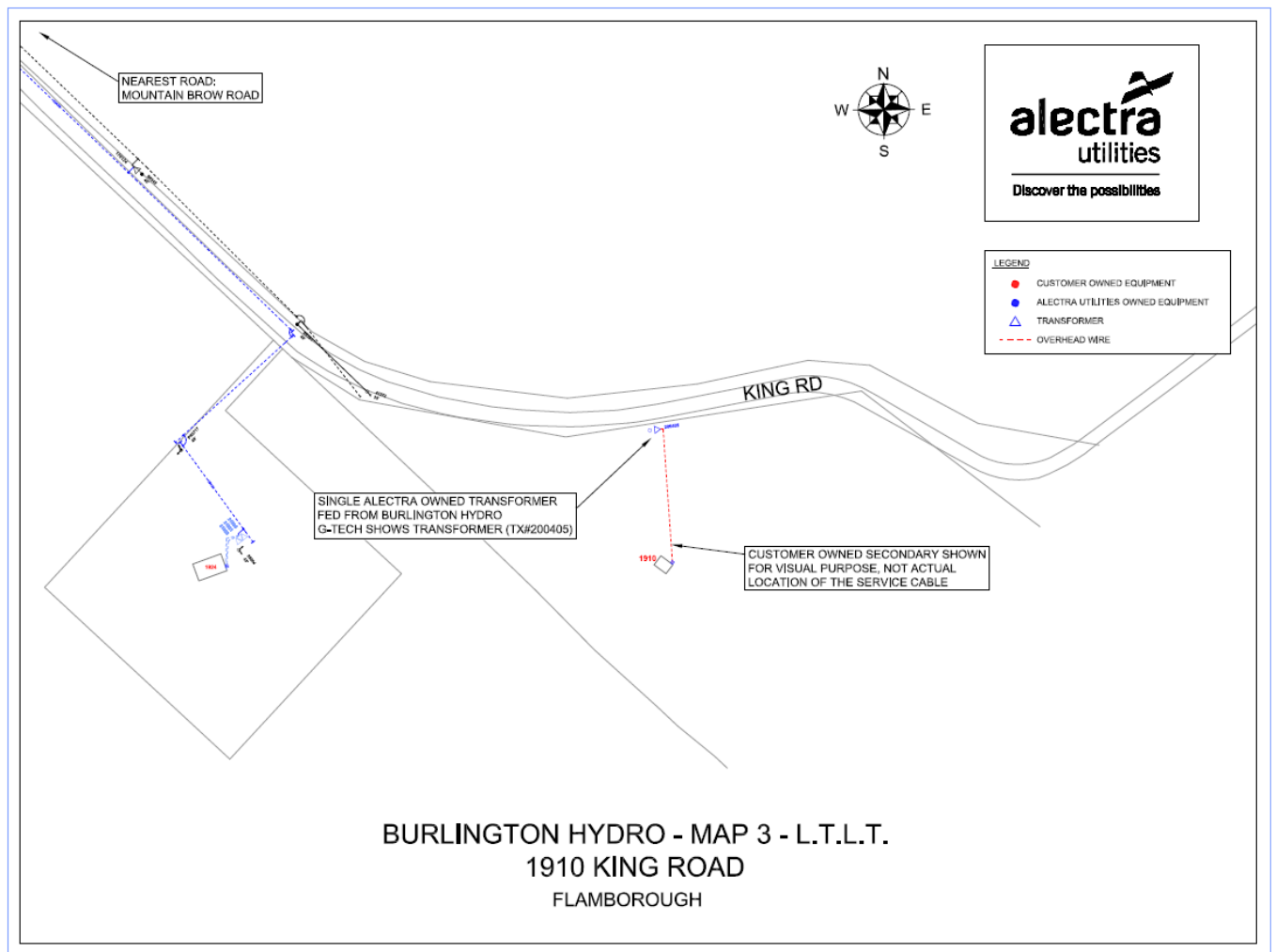
Map #2 2000 Valley Inn Road



Attachment 6

Alectra Utilities/ Burlington Hydro - LTLT Asset Transfer Maps

Map #3 1910 King Road



Attachment 7

Alectra Utilities/ Burlington Hydro - LTLT Elimination Sample Customer Letter

Notice of Changes to Your Electricity Distributor

Dear Valued Customer:

We are writing to advise that, in approximately eight weeks, you will be billed by a new electricity distributor. Your place of (home/business) is on the border of Hamilton and Burlington. You are currently an Alectra Utilities Corporation ("Alectra Utilities") (formerly Horizon Utilities Corporation) customer paying Alectra Utilities' rates and are serviced and billed by Alectra Utilities. However, your electricity is physically supplied by Burlington Hydro Inc. ("Burlington Hydro").

To simplify the process and comply with the Ontario Energy Board's ("OEB") Distribution System Code, to be followed by electricity distributors, we have requested approval from the OEB to transfer your account to Burlington Hydro. Upon approval, Burlington Hydro will be responsible for servicing and billing, in addition to supplying your electricity.

We are making this change to serve you better. In addition to offering one-stop servicing of your electricity needs, it is more cost effective for you to have the same distributor deliver electricity to your (home/business) and provide you with customer service. Once this transfer is complete, Burlington Hydro will be responsible for delivering your electricity, reading your meters, issuing your monthly bills, restoring power during outages and providing you with quality customer service.

This transfer will result in an estimated reduction in your electricity bill of approximately \$x.xx per month.

If you have any questions or concerns, please do not hesitate to contact Rob Rohr at Alectra Utilities at (905) 317-4777 or Kathi Farmer at Burlington Hydro at (905)332-1851 ext. 284.