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 Director – Major Projects and Partnerships Regulatory Affairs



BY COURIER

February 28, 2017

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 London Hydro Inc.

In accordance with the Distribution System Code amendments of December 21, 2015, Hydro One Networks Inc. and London Hydro Inc. 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 Chris Minhas at (416) 345-5421 or via email at Chris.Minhas@HydroOne.com.

Sincerely,

ORIGINAL SIGNED BY JOANNE RICHARDSON

Joanne Richardson

Attachment cc. David Arnold



Ontario Energy Board

Elimination of Load Transfer Arrangements Between Hydro One Networks Inc. and London Hydro Inc.

Combined Service Area Amendment and Asset Transfer Application

February 28, 2017

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 London Hydro Inc. ("London") 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	Licence Number		
Hydro One Networks Inc.	ED-2003-0043		
Address	Telephone Number		
483 Bay Street, 7 th Floor, South Tower	see below		
Toronto, ON	Facsimile Number		
M5G 2P5	see below		
	E-mail Address Regulatory@Hydroone.com		
Contact Person	Telephone Number		
Chris Minhas, Regulatory Analyst	416-345-5421		
	Facsimile Number 416-345-5866		
	E-mail Address Chris.Minhas@Hydroone.com		

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

Name of Co-Applicant or Other Distributor London Hydro Inc.	Licence Number ED-2002-0557
Address: 111	Telephone Number 519-661-5800
Horton Street P.O. Box 2700 London, ON	Facsimile Number 519-661-2596
N6A 4H6	E-mail Address: regulatoryaffairs@londonhydro.com
Contact Person: David Arnold	Telephone Number 519-661-5800 Ext. 5624
	Facsimile Number 519-661-2596
	E-mail Address arnoldd@londonhydro.com

1.3 Description of Proposed Service Area

1.3.1	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).							
	The proposed amendments are premise-specific. Once this application is approved, Hydro One's icence will include all of the premises in Attachment 2. These will be removed from London's icence. The premises specified in attached 1 will be included in London Hydro's licence, once the application is approved.							
	London Hydro Distribution Licence ED-2003-0043 should be amended as follows							
	SCHEDULE 1 DEFINITION OF DISTRIBUTION SERVICE AREA							
	This Schedule specifies the area in which the Licensee is authorized to distribute and sell electricity in accordance with paragraph 8.1 of this Licence.							
	 The City of London as at January 1, 1993: a. Excluding the customers located at the following addresses:							
	 2. The customers located at the following premise addresses in the Township of Southwold as at March 31, 1999: a. 11992 Woodplant Road, Southwold, Ontario, N5P 3T2 b. 39121 Southminster Bourne Road, Southwold, Ontario, N5P 3T2 							
	 3. The customers located at the following premise addresses in the former Township of North Dorchester now in the Municipality of Thames Centre as at December 31, 2000: a. 3375 Gore Road, North Dorchester, Ontario, NOL 1G4 b. 3403 Gore Road, North Dorchester, Ontario, NOL 1G4 							
	 The customer located at the following premise address in the former Township of Yarmouth no in the Municipality of Central Elgin a. 1977 Webber Bourne Road, Yarmouth, Ontario, N6N 1P1 	w						
	5. The following address is small industrial unit which has been serviced by London Hydro, however was not included in its Distribution Licence. London Hydro's licence should be updated to include:							
	The customer located at the following premise address in the Township of Middlesex Centre as at December 31, 1998:							
	13966 Medway Road, Arva, Ontario, N0M 1C0							

Hydro One's Distribution	Licence ED-2003-0043 should be amended as follows:								
Remove from Schedule 1,	Appendix B, Tab 1:								
Name of Municipality: Formerly Known As:	Municipality of Thames Centre Township of North Dorchester, Township of West Nissouri, Village of Dorchester, Police Village of Thorndale, as at December 31, 2000.								
Name of Municipality: Formerly Known As:	Township of Southwold as at March 31, 1999. Same								
Add to Schedule 1, Appen	Add to Schedule 1, Appendix B, Tab 4:								
Name of Municipality: Formerly Known As: Area Not Served by Net	The City of London as at January 1, 1993 Same works: The area served by London Hydro Inc. as set out in Licence ED-2002 0557								
	rea not served by Networks: Yes a not served by Networks: No								
Name of Municipality: Formerly Known As:Municipality of Thames Centre Township of North Dorchester, Township of West Nissouri, Village of Dorchester, Police Village of Thorndale, as at December 31, 2000.									
Area Not Served By Networks: The area served by London Hydro Inc. described as the former Township of Dorchester as more particularly set out in Licence No. ED-2002-0557.									
	Network assets within area not served by Networks: Yes Customers(s) within area not served by Networks: No								
Name of Municipality: Formerly Known As:	Township of Southwold as at March 31, 1999. Same								
	tworks: The area served by London Hydro Inc. described as the Township of Southwold as at March 31, 1999 as more particularly set out in Licence ED 2002-0557.								
	rea not served by Networks: Yes a not served by Networks: No								
Amendment to Schedule	1, Appendix B, Tab 4:								
Name of Municipality: Formerly Known As:	Municipality of Central Elgin Township of Yarmouth, Village of Belmont, Village of Port Stanley, as at December 31, 1997.								
Area Not Served By Net	tworks: The area served by Erie Thames Powerlines Corporation described as the former Villages of Belmont and Port Stanley as more particularly set ou Licence No. ED-2002-0516.								
	ams of the area(s) that is the subject of the SAA application.								
Please see Attachments	3 and 4.								

1.3.3	Provide a description of the type of physical connection(s); i.e., individual customer; residential subdivision, commercial or industrial customer.								
	6 Hydro One customers are proposed to be transferred to London:								
	3 Residential Customers								
	3 General Service Customers								
	6 London customers are proposed to be transferred to Hydro One:								
	• 5 Residential Customers								
	1 General Service Customer								

1.4 Information on Affected Load Transfer Customers

	Provide a total number of load transfer arrangements between distributors.
1.4.1	Please see 1.3.3.
1.4.2	Provide a number of load transfers eliminated in this application.
	Please see 1.3.3.
1.4.3	Provide a number of customers to be transferred from Hydro One to London.
	Please see 1.3.3.
1.4.4	Provide a number of customers to be transferred from London to Hydro One.
	Please see 1.3.3.
1.4.5	Provide a list of affected load transfer customers.
	(Customer listing must include customer address, name, billing address, rate class and meter
	number)
	Please see Attachments 1 and 2 for all of the Hydro One and London Hydro customers impacted
1.4.6	Provide written confirmation that all affected persons have been provided with specific and factual information about the service area amendment(s).
	Letters informing customers of the proposed amendments were sent by both London and Hydro One to their respective customers prior to February 1 st , 2017.

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 London to Hydro One

The delivery charges will increase for the residential and general service customers moving from London to Hydro One. Table 1 shows the delivery impact on total bill for these customers at the typical monthly consumption levels by rate class.

Table 1: Bill Impact at Typical Consumption Levels for Customers Moving from London toHydro One (Rates as of January 1, 2017)

		London	Hydro Inc.			Average			
Monthly Consumption (kWh)	Rate Class	Fixed Charge (\$)	Variable Charge (\$/kWh or \$/kW)*	Delivery Charge (\$)**	Rate Class	Fixed Charge (\$)	Variable Charge (\$/kWh or \$/kW)	Delivery Charge (\$)**	Monthly Delivery Impact on Total Bill (\$)
750	RES	16.42	0.0121	39.07	R2	19.83	0.0374	66.23	27.16
2,000	GS<50	32.25	0.0104	85.65	GSE	27.87	0.056	183.31	97.66

* Includes low voltage charge

** Includes RTSR charges and cost of losses.

The customers moving from London to Hydro One 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 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. London has provided the average monthly consumption for each customer, based on the most recent 12 months of actual billing data, where available. Where there is less than 12 months of data available, London has provided their best estimate of the customer's monthly average over 12 months. 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.

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 "<u>Amendments to the Distribution System Code, Section C (File No.: EB-2015-0006)</u>".

	Table 2: Bill Impacts at Typical Consumption Levels for Customers Moving from Hydro One to London (Rates effective January 1, 2017) Hydro One Networks London Hydro Inc.										
	Monthly Consumption (kWh)	Rate Class	Fixed Charge (\$)	Variable Charge (\$/kWh or \$/kW)	Delivery Charge (\$)**	Rate Class	Fixed Charge (\$)	Variable Charge (\$/kWh or \$/kW)*	Delivery Charge (\$)**	Average Monthly Delivery Impact on Total Bill (\$)	
	750	R2	19.83	0.0374	66.23	RES	16.42	0.0121	39.07	(27.16)	
	2,000	GSE	27.87	0.0560	183.31	GS<50	32.25	0.0104	85.65	(97.66)	
	* Includes low vo ** Includes RTSR			ses.							
.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.										
	Identify costs for stranded equipment that would need to be de-energized or removed. This would not be applicable as there will not be any stranded assets in this case. See 1.5.2.										

1.5.2 Customers moving from Hydro One to London

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 London to Hydro One will receive a monthly bill credit to offset the increase in delivery charges². In accordance with the OEB's 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.

Table 3: Credit Amount to Eliminate the Increase in Delivery Charges for Customers Moving from London to Hydro One (Rates as of January 1, 2017)

	Average London Hydro Inc.		Hydro One			
Index	Monthly Consumption (kWh)	Rate Class	Delivery Charges (\$)	Rate Class	Delivery Charges (\$)	Monthly Credit (\$)
Cust1	590	RES	34.40	R2	56.50	22.09
Cust2	641	RES	35.89	R2	59.60	23.71
Cust3	582	RES	34.17	R2	56.01	21.84
Cust4	1810	GS<50	80.65	GSE	168.62	87.97
Cust5	1510	RES	61.22	R2	112.44	51.23
Cust6	657	RES	36.36	R2	60.57	24.21

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

² 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 "<u>Amendments to the Distribution System Code, Section C (File No.: EB-2015-0006)</u>".

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 current Hydro One Geographical Customers to London for \$36,252.65 plus applicable taxes. A detailed breakdown of the assets is included in Attachment 1.
	London will sell the assets servicing current London Geographical Customers to Hydro One for \$8,360.00 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.
	No.

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
	Joanne Richardson	
ORIGINAL SIGNED BY JOANNE	Director - Major Projects and	28 Feb 2017
RICHARDSON	Partnerships, Regulatory Affairs	

(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 DAVID ARNOLD	Name and Title of Key Individual David Arnold CFO VP of Finance and Secretary	Date 2/27/17
---	---	-----------------

(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.)

Filed: 2017-02-28 Attachment 1 Page 1 of 3

		6669.6P							
Ma	p # Primary Customer N	ame Numbe	r Street	City	Lot	Concession	Township	Meter ID No.	Classification Figure #
1		11992	WOODPLANT RD	SOUTHWOLD				J2994547	Special #1
2		1977	WEBBER BOURNE RD	YARMOUTH	7	13	YARMOUTH	J2453705	Fig.2
1		11992	WOODPLANT RD	SOUTHWOLD	48	NBTR		J3475156	Special #1
3		3375	GORE RD	NORTH DORCHESTER	2	3		J3641836	Fig.13
1		39121	SOUTHMINSTER BOURNE	SOUTHWOLD	27	3		J3315188	Special #1
3		3403	GORE RD	NORTH DORCHESTER	2	3		J2587676	Fig.4

Geographical Distributor LTLT Customer and Asset Transfer Information

SOUTHMINISTER BOURNE & WOODPLANT RD

Summar	y of Assets to be Solo	ł											
	Poles												
Quantity													
6	40	30	Earth Plus	\$523.00	\$3,138.00								
4	40	20	Earth Plus	\$784.00	\$3,136.00								
1	35	30	Earth Plus	\$432.00	\$432.00								
			Earth Plus		\$0.00								
			Earth Plus		\$0.00								
			Earth Plus		\$0.00								
			Earth Plus		\$0.00								
11					\$6,706.00								

Primary and Neutral - Wire													
Location	Line Length (m)	# of Phases	Total Length (m)	Price/metre	Total Asset Value								
Southmiister	226	3	994.4	\$3.00	\$2,983.20								
Woodplant	418.25	1	920.15	\$3.00	\$2,760.45								
Totals	644.25		1914.55		\$5,743.65								

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									

Se	condary Services	to Premise	
Figure #	# of Premises	Price/Premise	Total Asset Value
13	1	\$60.00	\$60.00
14	2	\$0.00	\$0.00
			\$0.00
			\$0.00
			\$0.00
Totals			\$60.00

	Transformers													
Quantity	Age	Size (KVA)	Residual Value	Total Asset Value										
2	20	25	\$2,025.00	\$4,050.00										
3	20	100	\$3,075.00	\$9,225.00										
				\$0.00										
5				\$13,275.00										

	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]
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Special Case #1																	
Special Case #2																	
Special Case #3																	
Special Case #4																	
Special Case #5																	
Special Case #6																	
0/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	(1	0	1	0	0	0	0	0	0	0	0	1	. 0			
Total O/H	(70) 0	70	0	0	0		0	0					0	Total Secondary O/H (m)	20
Total U/G	(0		0	0	0	0	-	0	0	0		-			Total Secondary U/G (m)	
Total Primary				0		0	0	-	0	0			-			Total Primary (m)	4
Toal Buss (m)	60			0	0	0	0	0	0	0	0	Ŭ	-10	0		rotarr mildry (m)	-
1041 0433 (11)		1															
POLES	30	35	40	45	50	55	Total	1									
Main Page	1	1	2	0	0	0	4										
Special Case #1							0										
Special Case #2							0										
Special Case #3							0										
Special Case #4							0										
Special Case #5							0										
Special Case #6			1				0										
TOTAL	1	1	2	0	0	0	4	1									
								•									
Transformers	5	10	15	25	50	75	100	167	Total								
Main Page	0	0	0	3	0	1	0	0	4								
Special Case #1									0								
Special Case #2									0								
Special Case #3									0								
Special Case #4			1						0								
Special Case #5			1						0								
Special Case #6									0								
TOTAL	0	0	0	3	0	1	0	0	4								
Sentinel Lights (Total)	0																

ASSET SUMMARY												
30 35 40 45 50 55 Total												
Poles	1	1	2	0	0	0	4					
Transformers	5	10	15	25	50	75	100	167	Total			
Transformers	0	0	0	3	0	1	0	0	4			
Primary Wire (metres)	40											
Secondary O/H Wire (Metres)	200											
Secondary U/G Wire (Metres)	0											
Current Transformers	0											
Sentinel Lights	0											
Easements	0											

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			Pr	emise Addre	255				
Map #	Primary Customer Name	Number	Street	City	Lot	Concession	Township	Meter ID No.	Classification Figure #
1		4040	Southminster Bourne	London	21	9	Westminister	e423794	Fig.6
2		6526	Southminster Bourne	London	49		Westminister	e417725	Fig.2
3		646	Dingman Dr House	London	3	3	Westminister	e433830	Fig.16
3		646	Dingman Dr.	London	3	3	Westminister	e492218	Fig.16
4		3674	Gore Road	London	3	2	Dorchester	e399921	Fig.7
4		3701	Gore Road	London	3	2	Dorchester	e399923	Fig.4

Geographical Distributor LTLT Customer and Asset Transfer Information

	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	1
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Primary									20	20			20		20		
Neutral									20	20			20		20		
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Total O/H	0	70	C	70	0	50	0	0	0	0	0	0	0	0	0 0	Total Secondary O/H (m)	190
Total U/G	0	0	C	0	0	0	63	0	0	0	0	0	0	0	0 0	Total Secondary U/G (m)	63
Total Primary	0	0	C	0	0	0	0	0	0	0	0	0	0	0		Total Primary (m)	(
Toal Buss (m)	0		•	•					•	•			•				
POLES	30	35	40	45	50	55	Total										
Main Page	1	0	0	0	0	0	1										
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Special Case #3							0										
Special Case #4							0										
Special Case #5							0										
Special Case #6							0										
TOTAL	1	0	0	0	0	0	1										
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Transformers	5	10	15	25	50	75	100	167	Total	1							
Main Page	1	1	0	0	2	0	0	0	4	1							
Special Case #1									0	1							
Special Case #2									0	1							
Special Case #3									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	1	1	0	0	2	0	0	0	4
Sentinel Lights (Total)	0								

		ASSET	SUMMA	ARY					
Poles	30	35	40	45	50	55	Total		
	1	0	0	0	0	0	1		
Transformers	5	10	15	25	50	75	100	167	Total
	1	1	0	0	2	0	0	0	4
Primary Wire (metres)	0								
Secondary O/H Wire (Metres)	190								
Secondary U/G Wire (Metres)	63								
Current Transformers	0								
Sentinel Lights	0								
Easements	0	1							

London Hydro 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

HIDOD!

Maps

Special Case#1 (Map #1) -





Map #3 -

Hydro One Assets: 2 - 35' poles, 1 span of Secondary buss, 1 - 3 phase primary road crossing, 3 - 25 KVA transformers.



London Hydro Geographical LDC Maps for LTLT Elimination with

Hydro One as Physical LDC

Maps Legend

	HONI Primary Assets and Buss		
	HONI Transformer		
	LH Three Phase Transformer		
	LH Single Phase Transformer		
	LH Secondary Triplex		
	LH Primary		
•	HONI Pole		
•	LH Pole		

Maps

Map #1-





Map #3 -





