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

March 21, 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 Alectra Utilities Corporation - the Brampton Rate Zone

In accordance with the Distribution System Code amendments of December 21, 2015, Hydro One Networks Inc. and Alectra Utilities Corporation - the Brampton Rate Zone 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.

Sincerely,

ORIGINAL SIGNED BY JOANNE RICHARDSON

Joanne Richardson

Attachment cc. Indy J. Butany-DeSouza



# **Ontario Energy Board**

Elimination of Load Transfer Arrangements
Between
Hydro One Networks Inc. and Alectra Utilities
Corporation – the Brampton Rate Zone
(formerly Hydro One Brampton Networks
Inc.)

Combined Service Area Amendment and Asset Transfer Application

March 21, 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 Alectra Utilities Corporation – the Brampton Rate Zone (formerly Hydro One Brampton Networks Inc.) 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.

In April 2016, Enersource Hydro Mississauga Inc. ("Enersource"), Horizon Utilities Corporation ("Horizon Utilities") and PowerStream Inc. ("PowerStream"), (collectively, the Applicants) filed a mergers, acquisitons, amalgamations and divestitures ("MAADs") application (the "MAADs Application") 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".

In this joint application, Alectra Utilities Corporation – the Brampton Rate Zone is being referred to by its legacy name ("Hydro One Brampton").

### 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	Telephone Number 416-345-5405		
Toronto, ON M5G 2P5	Facsimile Number 416-345-5866		
	E-mail Address Regulatory@HydroOne.com		
Contact Person Pasquale Catalano	Telephone Number As listed above.		
Regulatory Advisor	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 Alectra Utilities Corporation – the Brampton Rate Zone	Licence Number ED-2016-0360			
Address: 175 Sandalwood Pkwy West	Telephone Number 905-840-6300			
Brampton, Ontario L7A 1E8	Facsimile Number 905-840-0967			
	E-mail Address: regulatory@ hydroonebrampton.com			
Contact Person: Indy J. Butany-DeSouza Vice President, Regulatory Affairs	Telephone Number 905-317-4765			
	Facsimile Number 905-522-6570			
	E-mail Address indy.butany@alectrautilities.com			

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 licence will include all of the premises in Attachment 2. These will be removed from Hydro One Brampton's licence.

Once the application is approved, all of the premises listed in Attachment 1 will be included in Hydro One Brampton's licence, and removed from Hydro One's licence. Hydro One Brampton's license will be amended as per the following:

### 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.

- 1. The City of Brampton as at December 31, 1990 excluding:
  - the property with the municipal address of 7751 Winston Churchill Blvd;
  - lands located 45m south of the center-line of Castlemore Rd and 37.5m west of the center-line of Highway 50;
  - lands located 50m west of the centre-line of Mavis Road and 128m north of the City of Mississauga Boundary; and
  - lands located 70m west of the centre-line of Mavis Road and 75m north of the City of Mississauga Boundary.
    - properties located at the following addresses:
      - i. 419 Mayfield Road
      - ii. 709 Mayfield Road
      - iii. 767 Mayfield Road
      - iv. 781 Mayfield Road
      - v. 6539 Mayfield Road
      - vi. 6573 Mayfield Road
    - vii. 6607 Mayfield Road
- Lots 1-78 inclusive and Parts 1-8 inclusive on the City of Brampton Draft Plan No. 21T-99002C.
- 3. Including properties located at the following addresses in the Town of Caledon, as at December 31, 1973:
  - i. 5232 Mayfield Road
  - ii. 4848 Mayfield Road

Hydro One would like to amend its Distribution licence, specifically Schedule 1, Appendix B Tab 4 to include:

Name of Municipality: The City of Brampton.

Formerly Known As: The City of Brampton as at December 31, 1990.

**Area Not Served By Networks:** The area served by Alectra Utilities Corporation – the Brampton Rate Zone described as the City of Brampton as more particularly set out in Licence No. ED-2016-0360.

Networks Assets within Area not served by Networks: Yes Customer(s) within area not served by Networks: No

1.3.2	Provide maps or diagrams 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.  2 Hydro One customers are proposed to be transferred to Hydro One Brampton:  • 2 Residential Customers
	<ul> <li>7 Hydro One Brampton customers are proposed to be transferred to Hydro One:</li> <li>7 Residential Customers</li> </ul>

### 1.4 Information on Affected Load Transfer Customers

1.4.1	Provide a total number of load transfer arrangements between distributors. 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	<b>Provide a number of customers to be transferred from Hydro One to Hydro One Brampton.</b> Please see 1.3.3.
1.4.4	<b>Provide a number of customers to be transferred from Hydro One Brampton to Hydro One.</b> 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.
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 Hydro One Brampton and Hydro One to their respective customers on January 11 <sup>th</sup> , 2017.

### 1.5 Impacts Arising from the Amendment(s)

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 Hydro One Brampton to Hydro One

The delivery charges will increase for the residential and general service customers moving from Hydro One Brampton 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 Hydro One Brampton to Hydro One (Rates effective January 1, 2017)

	Hydro	Hydro One Brampton Networks Inc.				Hydro One Networks			
Monthly Consumption (kWh)		Fixed	Variable Charge (\$/kWh or (\$)**	Delivery		Fixed Charge	Variable	Delivery	Monthly
	on Rate	Charge		/	/		Charge	Charge	Delivery
	Class	Class (\$)		rate class	(\$)	(\$/kWh or (\$)**	(\$)**	Impact on	
		(4)	\$/kW)*	(4)		(4)	\$/kW)	(4)	Total Bill (\$)
750	RES	17.64	0.0080	37.44	R2	19.83	0.0374	66.23	28.79

<sup>\*</sup> Includes low voltage charge

The customers moving from Hydro One Brampton to Hydro One will receive a monthly bill credit to offset the increase in delivery charges<sup>1</sup>. In accordance with the OEB's direction provided in the above-mentioned 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. Hydro One Brampton 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, Hydro One Brampton 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.

<sup>\*\*</sup> Includes RTSR charges and cost of losses.

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

### 1.5.2 Customers moving from Hydro One to Hydro One Brampton

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

Table 2: Bill Impacts at Typical Consumption Levels for Customers Moving from Hydro One to Hydro One Brampton (Rates effective January 1, 2017)

		Hydro Or	ne Networks	;	Hydro	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	R2	19.83	0.0374	66.23	RES	17.64	0.008	37.44	(28.79)

<sup>\*</sup> Includes low voltage charge

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

<sup>\*\*</sup> Includes RTSR charges and cost of losses.

# 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 Hydro One Brampton to Hydro One will receive a monthly bill credit to offset the increase in delivery charges<sup>2</sup>. In accordance with the OEB's direction provided in the 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 Hydro One Brampton to Hydro One (Rates as of January 1, 2017)

	Average Monthly	Hydro One Netwo	Brampton rks Inc.	Hydro One	Monthly	
Index	Consumption (kWh)	Rate Class	Delivery Charges (\$)	Rate Class	Delivery Charges (\$)	Credit (\$)
Cust1	600	RES	33.64	R2	57.11	23.47
Cust2	200	RES	23.50	R2	32.78	9.28
Cust3	3000	RES	94.47	R2	203.05	108.58
Cust4	1300	RES	51.38	R2	99.67	48.29
Cust5	900	RES	41.24	R2	75.35	34.11
Cust6	4500	RES	132.48	R2	294.26	161.78
Cust7	1100	RES	46.31	R2	87.51	41.20

### 1.5.3 Unmetered customers

There are no Street Light, Sentinel Light, or USL accounts being transferred between Hydro One Brampton Networks Inc. and Hydro One Networks for which no mitigation credit will be applied.

<sup>&</sup>lt;sup>2</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 "<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

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 Hydro One Brampton for \$2,969.00 plus applicable taxes. A detailed breakdown of the assets is included in Attachment 1.
Hydro One Brampton will sell the assets servicing current Hydro One Brampton Geographical Customers to Hydro One for \$4,245.00 plus applicable taxes. A detailed breakdown of the assets is included in Attachment 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	Director - Major Projects and	Mar 21/2017
JOANNE 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	Name and Title of Key Individual	Date
ORIGINAL SIGNED BY INDY	Indy J. Butany-DeSouza	
J. BUTANY-DESOUZA	Vice President, Regulatory Affairs	Mar 16/2017

(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.)

Filed: 2017-03-21 Attachment 1 Page 1 of 2

Geographical Distributor LTLT Customer and Asset Transfer Information

			Premise Address								
Map #	Primary Customer Name	Number	Street	City	Postal Code	Lot	Concession	Township	Meter ID No.	Classification Figure #	Distributor Rate Class, include
1		5232	MAYFIELD RD	CALEDON	L7C 0Z5	SE18	5E	CALEDON EAST	J3348789	Fig.3	R2_TOU_RPP
1		4848	MAYFIELD RD	CALEDON	L7C 0Z4	18	4	CALEDON EAST	J2594118	Fig.10	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	1
Main Page	0	(	) 1	. 0	0	0	0	0	0	1	0	0	0	0	0		1
Special Case #1																	1
Special Case #2																	1
Special Case #3																	1
pecial Case #4																	]
pecial Case #5																	1
pecial Case #6																	]
D/H	20	70	20	70		50		50		63		63					-
J/G	63		63		63		63		63		63						
Primary									20	20			20		20		
Neutral									20	20			20		20		
Subtotal	0	(	1	. 0	0	0	0	0	0	1	0	0	0	0	0	0	)
otal O/H	0	(	20	0	0	0	0	0	0	63	0	0	0	0	0	Total Secondary O/H (m)	Т
otal U/G	0	(	63	0	0	0	0	0	0	0	0	0	0	0	0	Total Secondary U/G (m)	Т
otal Primary	0	(	0	0	0	0	0	0	0	40	0	0	0	0	0	Total Primary (m)	Т
Foal Buss (m)	0																

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

Transformers	5	10	15	25	50	75	100	167	Total
Main Page	0	0	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	0	0	1	0	0	0	0	1
Sentinel Lights (Total)	0								

### ASSET SUMMARY

Deles	30	35	40	45	50	55	Total		
Poles	0	0	1	0	0	0	1		
Transformers	5	10	15	25	50	75	100	167	Total
Transformers	0	0	0	1	0	0	0	0	1
Primary Wire (metres)	40								
Secondary O/H Wire (Metres)	83								
Secondary U/G Wire (Metres)	63								
Current Transformers	0								
Sentinel Lights	0								
Easements	0								

Filed: 2017-03-21 Attachment 2 Page 1 of 2

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

			Premis	e Address				
Primary Customer Name	Number	Street	City	Postal Code	Lot	Concession	Meter ID No.	Geographical Distributor Rate Class
	419	MAYFIELD RD	BRAMPTON	L7A 0C6	17	6 W	B320147	Res,TOU,DCB
	709	MAYFIELD RD	BRAMPTON	L7A 0C5	17	5 W	B360925	Res,TOU,DCB
	767	MAYFIELD RD	BRAMPTON	L7A 0C5	17	5 W	B347061	Res,TOU,DCB
	781	MAYFIELD RD	BRAMPTON	L7A 0C5	17	5 W	B331962	Res,TOU,DCB
	6539	MAYFIELD RD	BRAMPTON	L6P 0H8	17	8	B331099	Res,TOU,DCB
	6573	MAYFIELD RD	BRAMPTON	L6P 0H8	17	8	B335047	Res,TOU,DCB
	6607	MAYFIELD RD	BRAMPTON	L6P 0H8	17	8	B327191	Res,TOU,DCB

	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	C	(	) 4	3	0	0	0	0	0	0	0	0	0	0	C		]
Special Case #1																	
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pecial Case #4																	1
pecial Case #5																	1
pecial Case #6																	1
/H	20	70	20	70		50		50		63		63					
/G	63		63		63		63		63		63						
rimary									20	20			20		20		
leutral									20	20			20		20		
ubtotal	C	(	4	3	0	0	0	0	0	0	0	0	0	0	C	0	1
otal O/H	C	(	80	210	0	0	0	0	0	0	0	0	0	0	0	Total Secondary O/H (m)	
otal U/G	C	(	252	0	0	0	0	0	0	0	0	0	0	0	0	Total Secondary U/G (m)	
otal Primary	C	(	0	0	0	0	0	0	0	0	0	0	0	0	C	Total Primary (m)	
oal Buss (m)	180	)															

POLES	30	35	40	45	50	55	Total
Main Page	4	2	1	0	0	0	7
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	4	2	1	0	0	0	7

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

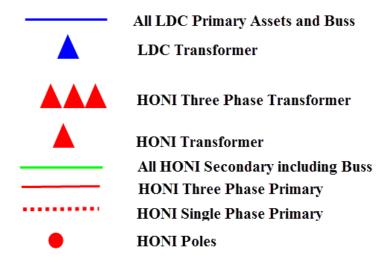
Poles	30	35	40	45	50	55	Total		
Poles	4	2	1	0	0	0	7		
Transformers	5	10	15	25	50	75	100	167	Total
Transformers	0	0	0	0	0	0	0	0	0
Primary Wire (metres)	0								
Secondary O/H Wire (Metres)	470								
Secondary U/G Wire (Metres)	252	1							
Current Transformers	0								
Sentinel Lights	0	1							
Easements	0	1							

Filed: 2017-03-31 Attachment 3 Page 1 of 1

# **Hydro One Geographical LDC Maps for LTLT Elimination with**

# **Hydro One Brampton as Physical LDC**

### Maps Legend



### **MAPS**

### Map #1 -

