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

April 13, 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 Canadian Niagara Power Inc.

In accordance with the Distribution System Code amendments of December 21, 2015, Hydro One Networks Inc. and Canadian Niagara Power Inc. are jointly applying to the Ontario Energy Board ("Board") for approval to amend the service areas of both distributors such that 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 PASQUALE CATALANO FOR JOANNE RICHARDSON

Pasquale Catalano for Joanne Richardson

Attachment cc. Glen King



Ontario Energy Board

Elimination of Load Transfer Arrangements
Between
Hydro One Networks Inc. and Canadian
Niagara Power Inc.

Combined Service Area Amendment and Asset Transfer Application

April 13, 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 Canadian Niagara Power Inc. ("Canadian Niagara Power") are jointly applying to the Ontario Energy Board ("OEB") for approval to amend the service areas of both distributors such that existing load transfer arrangements between the two LDCs are eliminated.

1.2 **Identification of the Parties**

1.2.1 Applicant

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

Name of Applicant Hydro One Networks Inc.	Licence Number ED-2003-0043
Address 483 Bay Street, 7 th 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 Canadian Niagara Power Inc.	Licence Number ED-2002-0572				
Address: 1130 Bertie St.	Telephone Number 905-871-0330				
P.O. Box 1218 Fort Erie, ON L2A 5Y2	Facsimile Number 905-871-8772				
	E-mail Address: RegulatoryAffairs@FortisOntario.com				
Contact Person: Greg Beharriell Manager, Regulatory Affairs	Telephone Number 905-871-0330 x3278 Facsimile Number As listed above.				
	E-mail Address Greg.Beharriell@cnpower.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, Canadian Niagara Power's licence will include all of the premises in Attachment 1, and Hydro One's licence will include all of the premises in Attachment 2. The premises that are added to one distributor, will be removed from the other distributor's licence. Once the application is approved, the following changes to Hydro One's licence are required:

To be removed from Schedule 1, Appendix B, Tab 1:

Name of Municipality: Township of Wainfleet as at March 31, 1999.

Formerly Known As: Same

To be added to Schedule 1, Appendix B, Tab 4:

Name of Municipality: Township of Wainfleet as at March 31, 1999.

Formerly Known As: Same.

Area Not Served by Networks: The area served by Canadian Niagara Power Inc. described as the Township of Wainfleet as more particularly set out in Licence No. ED-2002-0572.

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

Name of Municipality: Town of Port Colborne as at December 31, 1990.

Formerly Known As: Same.

Area Not Served by Networks: The area served by Canadian Niagara Power Inc. described as the Town of Port Colborne as more particularly set out in Licence No. ED-2002-0572.

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

Once the application is approved, Canadian Niagara Power's licence will be amended to state the following:

To be added to Schedule 1:

The customers located at the following civic numbers in the Township of Wainfleet:

• Port Colborne Wainfleet Rd. S: 20116, 20122, 20136, 20146 and 20154

Item 8 of Schedule 1 to be modified to read:

The Town of Port Colborne as of December 31, 1990 as per Regional Municipality of Niagara Act, R.S.O. 1990, with the exception of the following civic numbers:

• Townline Road: 3397 and 3429

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. 5 Hydro One Residential customers are proposed to be transferred to Canadian Niagara Power. There are 2 Residential customers proposed to be transferred from Canadian Niagara Power to Hydro One.

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	Provide a number of customers to be transferred from Hydro One to Canadian Niagara Power. Please see 1.3.3.
1.4.4	Provide a number of customers to be transferred from Canadian Niagara Power 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.
1.4.6	Provide written confirmation that all affected persons have been provided with specific and factual information about the service area amendments. Letters informing the customer of the proposed amendment were sent by Canadian Niagara Power and Hydro One to their respective customer on April 6, 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.

The delivery charges will increase for customers moving from Canadian Niagara Power Inc. to Hydro One Networks.

Table 1 shows the delivery and total bill impacts for these customers at typical consumption levels.

Table 1: Bill Impacts at Typical Consumption Levels for Customers Moving from Canadian Niagara Power Inc. (Rates effective January 1, 2016) to Hydro One Networks (Rates effective January 1, 2017)

	Canadian Niagara Power Inc.					Average			
Monthly Consumption (kWh)		Fixed	Variable	Delivery		Fixed	Variable	Delivery	Monthly
	Rate	Charge	Charge	Charge	Rate Class		Charge	Charge	Delivery
	Class	(\$)	(\$/kWh or	(\$)**	hate Class	Charge (\$)	(\$/kWh or	(\$)**	Impact on
		(२)	\$/kW)*	(5)		(२)	\$/kW)	(\$)	Total Bill (\$)
750	RES	23.44	0.0154	50.59	R2	19.83	0.0374	66.23	15.64

^{*} Includes low voltage charge

As shown in Table 2, customers moving from Hydro One Networks to Canadian Niagara Power Inc. 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 Networks (Rates effective January 1, 2017) to Canadian Niagara Power Inc. (Rates effective January 1, 2016)

	Hydro One Networks				Ca	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	23.44	0.0154	50.59	(15.64)

^{*} Includes low voltage charge

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 application.

1.5.3 Identify costs for stranded equipment that would need to be de-energized or removed. N/A – please see 1.5.2.

^{**} Includes RTSR charges and cost of losses.

^{**} Includes RTSR charges and cost of losses.

- 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.
- 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 Canadian Niagara Power Inc. to Hydro One Networks 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 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.

The OEB has confirmed that a deferral account will be provided for the purpose of tracking the rate mitigation costs for future recovery.

Table 3 provides the credit amounts for each specific residential and general service customer moving from Canadian Niagara Power Inc. to Hydro One Networks. Please note that the calculations below are based on an interim rate order for Canadian Niagara Power Inc. issued by the OEB on December 13, 2016. Once Canadian Niagara Power Inc. receives its final rate order for 2017 rates (effective January 1, 2017), the bill impacts will be recalculated and the credits applied accordingly.

Table 3: Credit Amounts to Eliminate the Increase in Delivery Charges for Customers Moving from Canadian Niagara Power Inc. (Rates effective January 1, 2016) to Hydro One Networks (Rates effective January 1, 2017)

	Average	Canadian Nia	gara Power Inc.	Hydro One	e Networks		
Index	Monthly Consumption (kWh)	Rate Class Delivery Charges (\$)		Rate Class	Delivery Charges (\$)	Monthly Credit (\$)	
Cust1	945.1	RES	57.44	R2	78.09	20.65	
Cust2	1862.75	RES	89.69	R2	133.89	44.20	

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>".

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 upon approval of the application. 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.
Once approved, Hydro One will sell the assets servicing current Hydro One Geographical Customers to Canadian Niagara Power for \$790.00 plus applicable taxes. A detailed breakdown of the assets is included in Attachment 1.
Canadian Niagara Power will sell the assets servicing current Canadian Niagara Power Geographical Customers to Hydro One for \$1,608.00 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.
There are no third parties that will be impacted by this sale.

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
ORIGINAL SIGNED BY	Joanne Richardson	
PASQUALE CATALANO FOR	Director - Major Projects and	April 13, 2017
IOANNE 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 /
K	Glen King VP Finance & CFO	April 8/17

(Most be signed by a key individual. A key individual is one that is responsible for executing the following functions for the applicant: matters related to regulatory requirements and conduct, financial matters and technical matters. These key individuals may include the chief executive officer, the chief financial officer, other officers, directors or proprietors.)

Geographical Distributor LTLT Customer and Asset Transfer Information

Map#	Primary Customer Name	Number	Street	City	Postal Code	Lot	Concession	Township	Meter ID No.	Classification Figure #	Geographical Distributor Rate Class, include Tariff (Res, Scomm + RPP, DCB, etc.)
			Premise Address						Meter Information		Customer care Billing Information
1		20116	PORT COLBORNE WAINFLEET RD S	WAINFLEET	L3K 5V4	1	2	WAINFLEET	J2719310	Fig.8	R2_TOU_RPP
1		20122	PORT COLBORNE WAINFLEET RD S	WAINFLEET	L3K 5V4	1	2	WAINFLEET	J2719305	Fig.7	R2_TOU_RPP
1		20136	PORT COLBORNE WAINFLEET RD S	WAINFLEET	L3K 5V4	1	2	WAINFLEET	J2719307		R2_TOU_RPP
1		20146	PORT COLBORNE WAINFLEET RD S	WAINFLEET	L3K 5V4	1	2	WAINFLEET	J2718740		R2_TOU_RPP
1		20154	PORT COLBORNE WAINFLEET RD S	WAINFLEET	L3K 5V4	1	2	WAINFLEET	J2719304		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	0	0	0	0	0	2	3	0	0	0	0	0	0	0		
Special Case #1																	
Special Case #2																	
Special Case #3																	
Special Case #4																	
Special Case #5																	
Special Case #6																	
O/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	0	0	0	0	0	0	2	3	0	0	0	0	0	0	0	0	ı
Total O/H	0	0	0	0	0	0	0	150	0	0	0	0	0	0	0	Total Secondary O/H (m)	210
Total U/G	0	0	0	0	0	0	126	0	0	0	0	0	0	0	0	Total Secondary U/G (m)	126
Total Primary	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Total Primary (m)	0
Toal Buss (m)	60																

POLES	30	35	40	45	50	55	Total
Main Page	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

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	0	0	0	0	0	0	0		
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)	210								
Secondary U/G Wire (Metres)	126								
Current Transformers	0								
Sentinel Lights	0								
Easements	0								

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Geographical Distributor LTLT Customer and Asset Transfer Information

Map#	Primary Customer Name	Number	Street	City Premise A	Postal Code	Lot	Concession	Township	Meter ID No.	Classification Figure #	Geographical Distributor Rate Class Customer care Billing Information
1		3429	Townline Rd	Port Colborne	L3K 5V4				219048	Fig.1	RES TOU
1		3397	Townline Rd	Port Colborne	L3K 5V4				219061	Fig.2	RES TOU

_	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	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0		
Special Case #1																	
Special Case #2																	
Special Case #3																	
Special Case #4																	
Special Case #5																	
Special Case #6																	
O/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	l l	
Subtotal	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	ı
Total O/H	20	70	0	0	0	0	0	0	0	0	0	0	0	0	0	Total Secondary O/H (m)	150
Total U/G	63	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Total Secondary U/G (m)	63
Total Primary	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Total Primary (m)	
Toal Buss (m)	60		•	•	•	•	•	•	•	•	•	•	•		•		

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

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

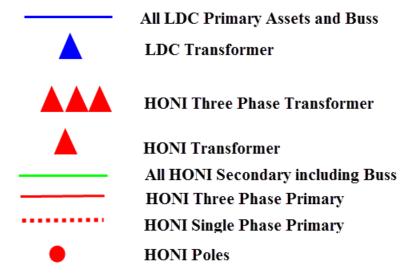
Poles	30	35	40	45	50	55	Total		
Poles	0	2	0	0	0	0	2		
Transformers	5	10	15	25	50	75	100	167	Total
Transformers	0	0	0	1	0	0	0	0	1
Primary Wire (metres)	0								
Secondary O/H Wire (Metres)	150	1							
Secondary U/G Wire (Metres)	63	1							
Current Transformers	0								
Sentinel Lights	0	1							
Easements	0								

Page 1 of 1

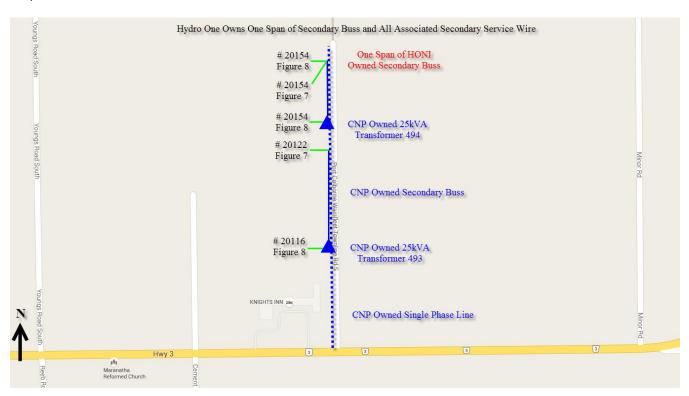
Hydro One Geographical LDC Maps for LTLT Elimination with

Canadian Niagara Power as Physical LDC

Maps Legend



Map #1 -



Filed: 2017-04-18 Attachment 4 Page 1 of 1

Canadian Niagara Power Map for LTLT Elimination with

Hydro One as Physical LDC

Legend

 Hydro One Three-Phase Primary
 Hydro One Single-Phase Primary
CNP Transformer
 CNP Secondary Wire and Buss
CNP Pole

MAP #1

