

Hydro One Networks Inc.

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Joanne Richardson

Director – Major Projects and Partnerships
Regulatory Affairs



BY COURIER

April 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 West Coast Huron Energy Inc.**

In accordance with the Distribution System Code amendments of December 21, 2015, Hydro One Networks Inc. and West Coast Huron Energy 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 JOANNE RICHARDSON

Joanne Richardson

Attachment
cc. Larry J. McCabe



Ontario Energy Board

**Elimination of Load Transfer Arrangements
Between
Hydro One Networks Inc. and West Coast
Huron Energy Inc.**

**Combined Service Area Amendment and Asset
Transfer Application**

April 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 West Coast Huron Energy Inc. ("West Coast Huron") 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 Toronto, ON M5G 2P5	Telephone Number 416-345-5405
	Facsimile Number 416-345-5866
	E-mail Address: Regulatory@HydroOne.com
Contact Person Pasquale Catalano Regulatory Advisor	Telephone Number As listed above.
	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 West Coast Huron Energy Inc.	Licence Number ED-2002-0510
Address: 57 West Street Goderich, ON N7A 2K5	Telephone Number 519-524-7371 Ext 2
	Facsimile Number 519-524-7930
	E-mail Address: info@goderichhydro.ca
Contact Person: Larry J. McCabe President	Telephone Number 519-524-7371 Ext 209
	Facsimile Number 519-524-7930
	E-mail Address lmccabe@goderich.ca

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 amendment is premise specific. Once this Application is approved, the premise listed in Attachment 1 will be removed from West Coast Huron's licence, and added to Hydro One's licence. Once the application is approved, Hydro One's licence will be amended to state the following: <u>To be amended in Schedule 1, Appendix B, Tab 4:</u> Name of Municipality: Municipality of Central Huron Formerly Known As: Township of Goderich, Township of Hullett, Town of Clinton, as at December 31, 2000. Area Not Served By Networks: The area served by Erie Thames Powerlines Corporation described as the former Town of Clinton, as more particularly set out in Licence No. ED-2002-0516. The area served by West Coast Huron Energy Inc. described as parts of the former Township of Goderich, as more particularly set out in Licence No. ED-2002-0510 Networks assets within area not served by Networks: Yes Customer(s) within area not served by Networks: No Once the application is approved, West Coast Huron's licence will be amended to state 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 condition 8.1 of this Licence. The Town of Goderich as at July 1, 1986, excluding the customer located at 345 Mill Road, Goderich, Ontario N7A 4A1
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1.3.2	Provide maps or diagrams of the area(s) that is the subject of the SAA application. Please see 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. One residential customer is proposed to be transferred from West Coast Huron 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 West Coast Huron. There are no customers proposed to be transferred from Hydro One to West Coast Huron.
1.4.4	Provide a number of customers to be transferred from West Coast Huron 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 Attachment 1.

1.4.6	Provide written confirmation that all affected persons have been provided with specific and factual information about the service area amendments. A letter informing the customer of the proposed amendment was sent to the customer on April 11, 2017.
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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. The delivery charges will increase for the customer moving from West Coast Huron to Hydro One. 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 West Coast Huron Energy Inc. (Rates effective May 1, 2017) to Hydro One Networks (Rates effective January 1, 2017) <table><tr><th rowspan="2">Monthly Consumption (kWh)</th><th colspan="4">West Coast Huron Energy Inc.</th><th colspan="4">Hydro One Networks</th><th rowspan="2">Average Monthly Delivery Impact on Total Bill (\$)</th></tr><tr><th>Rate Class</th><th>Fixed Charge (\$)</th><th>Variable Charge (\$/kWh or \$/kW)*</th><th>Delivery Charge (\$) **</th><th>Rate Class</th><th>Fixed Charge (\$)</th><th>Variable Charge (\$/kWh or \$/kW)</th><th>Delivery Charge (\$) **</th></tr><tr><td>750</td><td>RES</td><td>25.65</td><td>0.0116</td><td>48.85</td><td>R1</td><td>33.77</td><td>0.0230</td><td>67.12</td><td>18.27</td></tr></table> * Includes low voltage charge ** Includes RTSR charges and cost of losses.	Monthly Consumption (kWh)	West Coast Huron Energy Inc.				Hydro One Networks				Average Monthly Delivery Impact on Total Bill (\$)	Rate Class	Fixed Charge (\$)	Variable Charge (\$/kWh or \$/kW)*	Delivery Charge (\$) **	Rate Class	Fixed Charge (\$)	Variable Charge (\$/kWh or \$/kW)	Delivery Charge (\$) **	750	RES	25.65	0.0116	48.85	R1	33.77	0.0230	67.12	18.27
Monthly Consumption (kWh)	West Coast Huron Energy Inc.				Hydro One Networks				Average Monthly Delivery Impact on Total Bill (\$)																				
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750	RES	25.65	0.0116	48.85	R1	33.77	0.0230	67.12	18.27																				
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 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.																												
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 customer moving from West Coast Huron 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 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. Please note any change that may result from the Ontario government's Fair Hydro Plan is not included in the credit calculation. Once the Fair Hydro Plan is finalized, the credit will be recalculated accordingly.

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

Table 2 provides the credit amounts for the residential customer moving from West Coast Huron to Hydro One.

Table 2: Credit Amounts to Eliminate the Increase in Delivery Charges for Customers Moving from West Coast Huron Energy Inc. (Rates effective May 1, 2017) to Hydro One Networks (Rates effective January 1, 2017)

Index	Average Monthly Consumption (kWh)	West Coast Huron Energy Inc.		Hydro One Networks		Monthly Credit (\$)
		Rate Class	Delivery Charges (\$)	Rate Class	Delivery Charges (\$)	
Cust1	1515.58	RES	71.73	R1	100.35	28.62

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 "[Amendments to the Distribution System Code, Section C \(File No.: EB-2015-0006\)](#)".

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 Attachment 1.
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 Attachment 2 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 customer. Once the application is approved, the assets will continue to service the same customers they currently service. The customer 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. Once approved, West Coast Huron will sell the assets servicing their current geographical customers to Hydro One for \$3,754.00 plus applicable taxes. A detailed breakdown of the assets is included in Attachment 1.
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. 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 ORIGINAL SIGNED BY JOANNE RICHARDSON	Name and Title of Key Individual Joanne Richardson Director - Major Projects and Partnerships, Regulatory Affairs	Date April 21, 2017
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(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 LARRY J. MCCABE	Name and Title of Key Individual Larry J. McCabe President	Date April 13, 2017
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(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.)

Geographical Distributor LTLT Customer and Asset Transfer Information

Map #	Primary Customer Name	Premise Address							Meter ID No.	Classification Figure
		Numbe	Street	City	Postal	Lot	Concession	Township		
1		345	Mill Road	GODERICH	N7A 4A1	2	MAITLAND	GODERICH	GH00006508	Fig.2

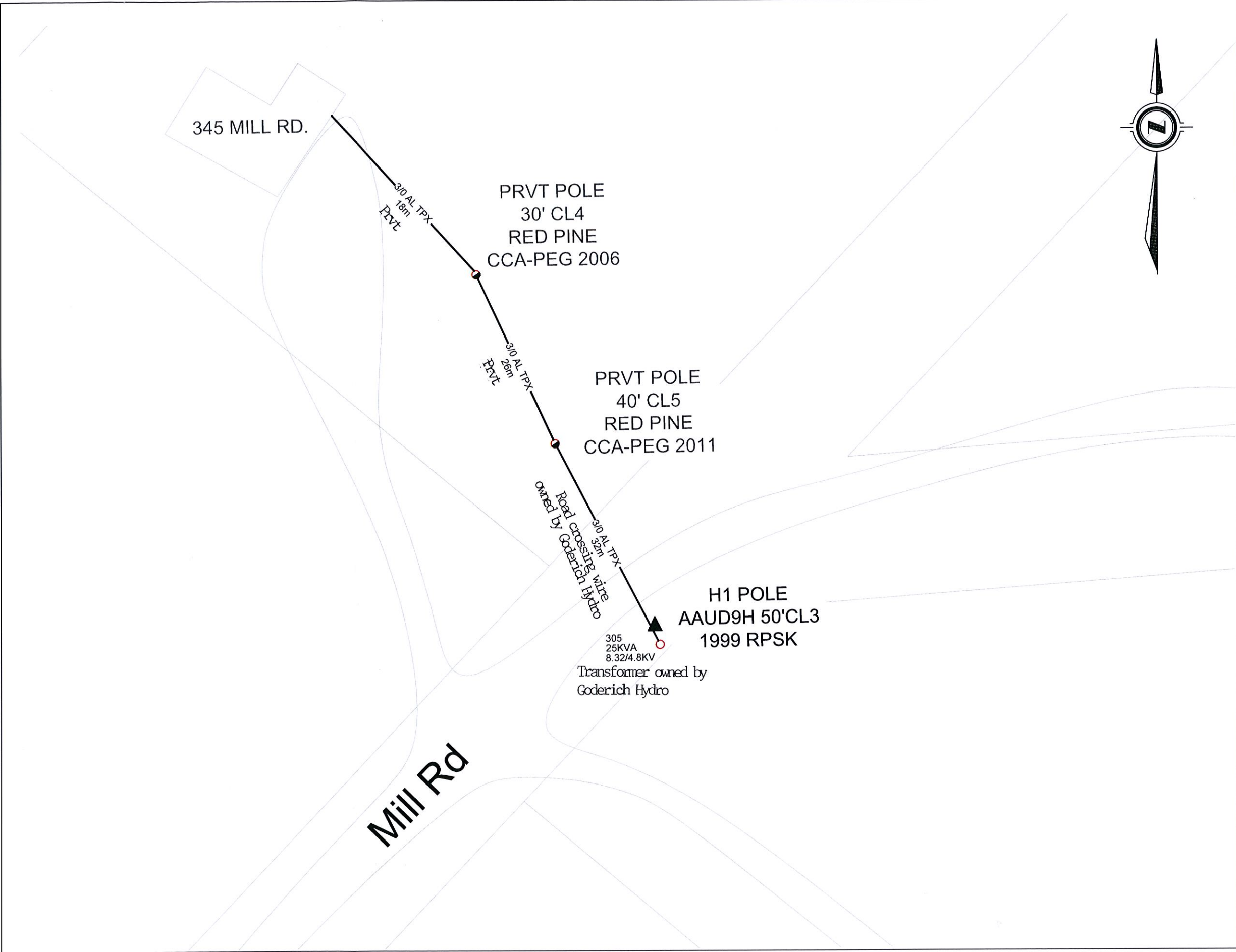
	Figure #1	Figure #2	Figure #3	Figure #4	Figure #5	Figure #6	Figure #7	Figure #8	Figure #9	Figure #10	Figure #11	Figure #12	Figure #13	Figure #14	Figure #15	Primary Wire Line
Main Page	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	
Special Case #1																
Special Case #2																
Special Case #3																
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	
Neutral										20	20		20		20	
Subtotal	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total O/H	0	70	0	0	0	0	0	0	0	0	0	0	0	0	0	Total Secondary O/H (m)
Total U/G	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Total Secondary U/G (m)
Total Primary	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Total Primary (m)
Total Buss (m)	0															0

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

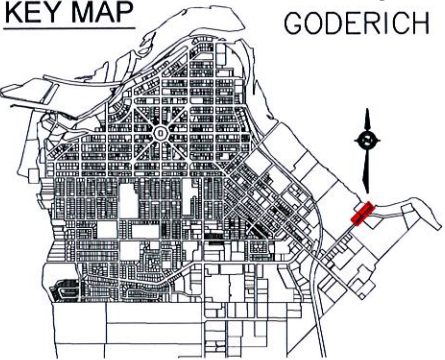
Transformers	5	10	15	25	50	75	100	167	Total
Main Page	0	0	0	1	0	0	0	0	1
Special Case #1									0
Special Case #2									0
Special Case #3									0
Special Case #4									0
Special Case #5									0
Special Case #6									0
TOTAL	0	0	0	1	0	0	0	0	1
Sentinel Lights (Total)	0								

ASSET SUMMARY

Poles	30	35	40	45	50	55	Total		
	0	0	0	0	0	0	0		
Transformers	5	10	15	25	50	75	100	167	Total
	0	0	0	1	0	0	0	0	1
Primary Wire (metres)	0								
Secondary O/H Wire (Metres)	70								
Secondary U/G Wire (Metres)	0								
Current Transformers	0								
Sentinel Lights	0								
Easements	0								



KEY MAP



NOTES

- 247' (75m) 3/0 TPX
- 2 CUSTOMER OWNED POLES
- GODERICH HYDRO TX
- 25KVA SERIAL #201637-3558
- H.V. 8320GRDY/4800V
- L.V. 120/240V
- <2PPM PCB
- OIL - 36L
- MASS- 148KG
- IMP @ 85°C 2.3%
- MOLONEY

SYSTEM VOLTAGE
8.32/4.8KV, H1

GODERICH HYDRO
WEST COAST HURON ENERGY INC
240 HUCKINS ST. GODERICH, ONTARIO, N7A 3X8
PH: (519) 524-7371 FX: (519) 524-7930

TITLE 345 MILL RD		
DESCRIPTION LOAD TRANSFER CUSTOMER FROM H1 LINE		
DRAWING NO. 345 MILL RD GODERICH		
DATE March 23rd 2017	DRAWN BY TIM M.	CHECKED BY
SCALE NTS	PAGE PAGE 1	WORK ORDER
REVISION 00	REV_DESCRIPTION	