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

May 8, 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 Centre Wellington Hydro Ltd..

In accordance with the Distribution System Code amendments of December 21, 2015, Hydro One Networks Inc. and Wellington Centre Hydro Ltd. 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. Wayne Dyce



# **Ontario Energy Board**

Elimination of Load Transfer Arrangements
Between
Hydro One Networks Inc. and Centre
Wellington Hydro Ltd.

Combined Service Area Amendment and Asset Transfer Application

May 8, 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 Centre Wellington Hydro Ltd. ("Centre Wellington Hydro") 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.

As part of this application, Hydro One and Centre Wellington Hydro jointly request to clean up service territory immediately north west to the former town boundaries of Fergus. Centre Wellington Hydro presently states that it services "6497 Beatty Line, Conc 15, PT Lot 20". However, the southwestern portion of this land is presently serviced by Hydro One. The requested licence amendment below attempts to correct this.

#### 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 Centre Wellington Hydro Ltd.	Licence Number ED-2002-0498				
Address: 730 Gartshore St,	Telephone Number 519-843-2900				
Fergus, ON N1M 2W8	Facsimile Number 519-843-7681				
	E-mail Address: enquires@cwhydro.ca				
Contact Person: Wayne Dyce President	Telephone Number 519-843-2900				
	Facsimile Number 519-843-7681				
	E-mail Address wdyce@cwhydro.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 amendments are premise specific. Once this application is approved, Centre Wellington Hydro'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.

Hydro One's licence does not require any amendments.

Once the application is approved, Centre Wellington Hydro's licence will be amended to state the following:

- 1. The former Town of Fergus as of December 31, 1998, now in the Township of Centre Wellington, excluding the following properties:
  - 525 Guelph Rd, Fergus. PIN 715010038 of the former Township of Nichol.
  - 665 Guelph Rd, Fergus. PIN 715010040 of the former Township of Nichol.
  - 630 Union St W, Fergus. PIN 715010034 of the former Township of Nichol.
  - 640 Union St W, Fergus. PIN 715010035 of the former Township of Nichol.
- 2. The former Village of Elora as of December 31, 1998, now in the Township of Centre Wellington excluding the following properties:
  - 81 Sophia St, Elora. PIN 714170024 of the former Township of Nichol.
  - 83 Sophia St, Elora. PIN 714170025 of the former Township of Nichol.
- 3. Plan 61R9227, Part of Lot 14, Concession 2 of the former Township of Nichol, now within the Township of Centre Wellington and having municipal address of 950 Scotland Street.
- 4. Black St and Revell Dr, Concession 15 Pt Lot 20 now within the Township of Centre Wellington formerly in the Township of Nichol.
- 6510 Wellington Rd 7, Centre Wellington Township. Legal description, PT LT BROKEN FRONT CON 1 EAST OF GRAND RIVER PILKINGTON AS IN MS23746; CENTRE WELLINGTON.
- 6. 80 Bridge St, Elora. PIN 714070047 of the former Township of Nichol.
- 7. 965 Gartshore St, Fergus. PIN 711290284 of the former Township of Nichol.

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 residential customers are proposed to be transferred to Centre Wellington Hydro.
	6 Centre Wellington Hydro residential customers are proposed to be transferred to Hydro One.

# 1.4 Information on Affected Load Transfer Customers

1.4.1	Provide a total number of load transfer arrangements between distributors.  Section 1.3.3 addresses the majority of existing load transfer arrangements between the two distributors. Given that Centre Wellington Hydro is an embedded LDC, there may be some load transfer arrangements that are not being addressed by this application.
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 Centre Wellington Hydro. Please see 1.3.3.
1.4.4	Provide a number of customers to be transferred from Centre Wellington Hydro 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 customers of the proposed amendment were sent by Centre Wellington Hydro and Hydro One to their respective customers on April 24, 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 Centre Wellington Hydro 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 Centre Wellington Hydro (Rates effective May 1, 2017) to Hydro One (Rates effective January 1, 2017)

	Cent	re Wellir	gton Hydr	o Ltd.		Average			
Monthly Consumpti on (kWh)	Rate Class	Fixed Charg e (\$)	Variabl e Charge (\$/kWh or \$/kW)*	Deliver y Charge (\$)**	Rate Class	Fixed Charg e (\$)	Variabl e Charge (\$/kWh or \$/kW)	Delivery Charge (\$)**	Monthly Delivery Impact on Total Bill (\$)
750	RES	21.02	0.0092	41.99	R1	33.77	0.0230	67.12	25.13

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

As shown in Table 2, customers moving from Hydro One to Centre Wellington Hydro 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 (Rates effective January 1, 2017) to Centre Wellington Hydro (Rates effective May 1, 2017)

		Hydro On	e Networl	ks	Cen	Average			
Monthly Consumpti on (kWh)	Rate Class	Fixed Charg e (\$)	Variabl e Charge (\$/kWh or \$/kW)	Delivery Charge (\$)**	Rate Class	Fixed Charg e (\$)	Variabl e Charge (\$/kWh or \$/kW)*	Delivery Charge (\$)**	Monthly Delivery Impact on Total Bill (\$)
750	R1	33.77	0.0230	67.12	RES	21.02	0.0092	41.99	(25.12)
750	R2	19.83	0.0374	66.23	RES	21.02	0.0092	41.99	(24.23)

<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 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.

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

<sup>\*\*</sup> 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 Centre Wellington Hydro to Hydro One will receive a monthly bill credit to offset the increase in delivery charges<sup>1</sup>. 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. Any change to the Delivery charge 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 3 provides the credit amounts for each specific residential customer moving from Centre Wellington Hydro to Hydro One.

Table 3: Credit Amounts to Eliminate the Increase in Delivery Charges for Customers Moving from Centre Wellington Hydro Ltd. (Rates effective May 1, 2017) to Hydro One Networks (Rates effective January 1, 2017)

	Average	Centre Welling	gton Hydro Ltd.	Hydro On	Monthly	
Index	Monthly Consumption (kWh)	Rate Class	Delivery Charges (\$)	Rate Class	Delivery Charges (\$)	Monthly Credit (\$)
Cust1	771	RES	42.56	R1	68.03	25.47
Cust2	435	RES	33.52	R1	53.44	19.93
Cust3	708	RES	40.86	R1	65.29	24.43
Cust4	347	RES	31.15	R1	49.62	18.47
Cust5	467	RES	34.38	R1	54.83	20.45
Cust6	474	RES	34.57	R1	55.14	20.57

<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>".

# 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

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, Hydro One will sell the assets servicing current Hydro One geographical customers to Centre Wellington Hydro for \$173.00 plus applicable taxes. A detailed breakdown of the assets is included in Attachment 1.					
	Centre Wellington Hydro will sell the assets servicing current Centre Wellington Hydro geographical customers to Hydro One for \$280.00 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.					
	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
	Joanne Richardson	
	Director - Major Projects and	
	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
wybre	Wayne Dyce	May 8, 2017
66 J.J.C	President/Secretary	

(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: 2017-05-08 Attachment 1 Page 1 of 2

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

Мар	# 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
	2	80	BRIDGE ST	NICHOL		3	1 BF	NICHOL	J3066072	Fig.8	R1_TOU_RPP
	1	965	JONES BASELINE	NICHOL	N1M 2W4	18	16	NICHOL	J2812999	Fig.14	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	
Main Page	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0		
Special Case #1																	
Special Case #2																	
Special Case #3																	
Special Case #4																	
Special Case #5																	
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	1	
Neutral									20	20			20		20		
Subtotal	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0	0	)
otal O/H	0	0	0	0	0	0	0	50	0	0	0	0	0	0	0	Total Secondary O/H (m)	
otal U/G	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Total Secondary U/G (m)	
otal Primary	0	0	0	0	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	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		
Poles	0	0	0	0	0	0	0		
Transformers	5	10	15	25	50	75	100	167	Γ
Transformers	0	0	0	1	0	0	0	0	l
Primary Wire (metres)	0								
Secondary O/H Wire (Metres)	50	]							
Secondary U/G Wire (Metres)	0	1							
Current Transformers	1	1							
Sentinel Lights	0	1							
Easements	0	]							

Filed: 2017-05-08 Attachment 2 Page 1 of 2

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

Map# Pri	rimary Customer Name	Number	Street	City	Postal Code	Lot 0	Concession	Township	Meter ID No.	Classification Figure #	Geographical Distributor Rate Class, include Tariff (Res, Scomm + RPP, DCB, etc.)
					Premise Addres	is			Meter Information		Customer care Billing Information
DWG-CWH-81&83Sophia		83	Sophia St.	Elora	N0B 1S0			Centre Wellington	CWH 03769	Fig.1	
DWG-CWH-81&83Sophia		81	Sophia St.	Elora	NOB 1S0			Centre Wellington	CWH 05727	Fig.1	
DWG-CWH-525&665GuelphRd	-	665	Guelph Rd.	Fergus	N1M 2V2			Centre Wellington	CWH 01058		
DWG-CWH-630&640UnionStW		630	Union St. W.	Fergus	N1M 1V8			Centre Wellington	CWH 01017		
DWG-CWH-525&665GuelphRd	-	525	Guelph Rd.	Fergus	N1M 2V2			Centre Wellington	CWH 01030		
DWG-CWH-630&640UnionStW		640	Union St. W.	Fergus	N1M 1V8			Centre Wellington	CWH 02641		

_	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	4
Main Page	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Special Case #1																	4
Special Case #2																	
Special Case #3																	1
Special Case #4																	
Special Case #5																	1
Special Case #6																	
O/H	20	70	20	70		50		50		63		63					_
U/G	63		63		63		63		63		63						
Primary									0	20			20		20		
Neutral									0	20			20		20	l l	
Subtotal	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	J.
Total O/H	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Total Secondary O/H (m)	40
Total U/G	126	0	0	0	0	0	0	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)	(
Toal Buss (m)	0																

POLES	30	35	40	45	50	55	Total
Main Page	0	0	0	0	0	0	0
Special Case #1			0				0
Special Case #2			0				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

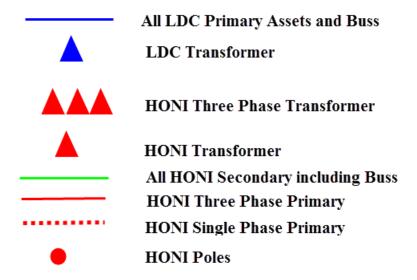
Transformers	5	10	15	25	50	75	100	167	Total
Main Page	0	0	0	0	0	0	0	0	0
Special Case #1					0				0
Special Case #2					0				0
Special Case #3									0
Special Case #4									0
Special Case #5									0
Special Case #6									0
TOTAL	0	0	0	0	0	0	0	0	0
Sentinel Lights (Total)	0								

# ASSET SUMMARY

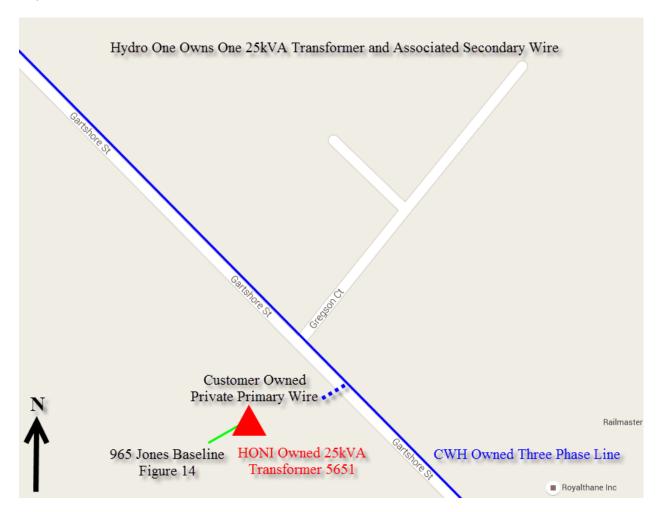
Deles	30	35	40	45	50	55	Total		
Poles	0	0	0	0	0	0	0		
T	5	10	15	25	50	75	100	167	To
Transformers	0	0	0	0	0	0	0	0	(
Primary Wire (metres)	0								
Secondary O/H Wire (Metres)	40								
Secondary U/G Wire (Metres)	126								
Current Transformers	0								
Sentinel Lights	0								
Easements	0								

# Hydro One Geographical LDC Maps for LTLT Elimination with Centre Wellington Hydro as Physical LDC

# **Maps Legend**



Map #1



Map #2



