

**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 St. Thomas Energy Inc.**

In accordance with the Distribution System Code amendments of December 21, 2015, Hydro One Networks Inc. and St. Thomas 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](mailto:Pasquale.Catalano@HydroOne.com).

Sincerely,

ORIGINAL SIGNED BY JOANNE RICHARDSON

Joanne Richardson

Attachment  
cc. Robert Kent



# **Ontario Energy Board**

**Elimination of Load Transfer Arrangements  
Between  
Hydro One Networks Inc. and St. Thomas  
Energy Inc.**

**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 St. Thomas Energy Inc. 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 <sup>th</sup> 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 St. Thomas Energy Inc.	Licence Number ED-2002-0523
Address: 135 Edward Street St. Thomas, Ontario N5P 4A8	Telephone Number 519-631-5550 ext 5258
	Facsimile Number 519-631-4771
	E-mail Address: rkent@sttenergy.com
Contact Person: Robert Kent Chief Operating Officer	Telephone Number As listed above
	Facsimile Number As listed above
	E-mail Address As listed above

### 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, St. Thomas Energy Inc.'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 amended in Schedule 1, Appendix B, Tab 4:

**Name of Municipality:** Municipality of Central Elgin

**Formerly Known As:** Township of Yarmouth, Village of Belmont, Village of Port Stanley, as at December 31, 1997.

**Area Not Served by Networks:** The area served by Erie Thames Powerlines Corporation described as the former Villages of Belmont and Port Stanley as more particularly set out in Licence No. ED-2002-0516. The area served by St. Thomas Energy Inc. as more particularly set out in Licence No. ED-2002-0523.

**Networks assets within area not served by Networks:** Yes

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

**Name of Municipality:** City of St. Thomas as at March 31, 1999.

**Formerly Known As:** Same.

**Area Not Served by Networks:** The area served by St. Thomas Energy Inc. described as the City of St. Thomas as more particularly set out in Licence No. ED-2002-0523.

**Networks assets within area not served by Networks:** Yes

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

\*\*\*Note: Hydro One's licence currently lists 1 Cosma Court as a "Customer within area not served by Networks" in the City of St. Thomas. This customer is properly addressed in Tab 5 of Hydro One's licence, and Hydro One requests that Tab 4 of its licence be amended as stated above.

Once the application is approved, St. Thomas Energy Inc.'s licence Schedule 1, line1 and line 8 will be amended to state the following:

1. The municipal boundaries of the City of St. Thomas as of December 31, 1999, with the exclusion of the customer located at:

a.	1	Cosma Court	St. Thomas	N5R 4J5
b.	133	Centennial Ave	St. Thomas	N5R 5B1
c.	125	Centennial Ave	St. Thomas	N5R 5B1
d.	41237	Major Line	St. Thomas	N5P 3T1
e.	41291	Major Line	St. Thomas	N5P 3T1
f.	42468	Southdale Line	St. Thomas	N5R 1B8
g.	42294	Southdale Line	St. Thomas	N5R 1B8
h.	42346	Southdale Line	St. Thomas	N5R 5B1
i.	42474	Southdale Line	St. Thomas	N5R 5B1
j.	42260	Southdale Line	St. Thomas	N5R 5B1
k.	42488	Southdale Line	St. Thomas	N5P 3T1
l.	43897	Water Tower Line	St. Thomas	N5P 3V6
m.	9783	Wellington Road	St. Thomas	N5P 4K2

8. Inclusion of the three customers below located in the Geographic Township of Yarmouth, Municipality of Central Elgin, County of Elgin:

(i)	19	Woodland Rd	Yarmouth	N5P 1P3
(ii)	19A	Woodland Rd	Yarmouth	N5P 1P3
(iii)	21	Woodland Rd	Yarmouth	N5P 1P3

1.3.2	<p><b>Provide maps or diagrams of the area(s) that is the subject of the SAA application.</b> Please see Attachments 3 and 4.</p>
1.3.3	<p><b>Provide a description of the type of physical connection(s); i.e., individual customer; residential subdivision, commercial or industrial customer.</b> 3 Hydro One Residential customers are proposed to be transferred to St. Thomas Energy Inc.</p> <p>There are 11 residential and 1 Commercial (less than 50 kW) customers proposed to be transferred from St. Thomas Energy Inc. to Hydro One (note that the Cosma Court address above is a pre-existing exclusion from the St. Thomas Energy Inc. licence).</p>

#### **1.4 Information on Affected Load Transfer Customers**

1.4.1	<p><b>Provide a total number of load transfer arrangements between distributors.</b> Please see 1.3.3.</p>
1.4.2	<p><b>Provide a number of load transfers eliminated in this application.</b> Please see 1.3.3.</p>
1.4.3	<p><b>Provide a number of customers to be transferred from Hydro One to St. Thomas Energy Inc.</b> Please see 1.3.3.</p>
1.4.4	<p><b>Provide a number of customers to be transferred from St. Thomas Energy Inc. to Hydro One.</b> Please see 1.3.3.</p>
1.4.5	<p><b>Provide a list of affected load transfer customers.</b> <b>(Customer listing must include customer address, name, billing address, rate class and meter number)</b> Please see Attachments 1 and 2.</p>
1.4.6	<p><b>Provide written confirmation that all affected persons have been provided with specific and factual information about the service area amendment(s).</b> Letters informing the customer of the proposed amendment were sent by St. Thomas Energy Inc. and Hydro One to their respective customers on April 21, 2017.</p>

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

1.5.1	<p><b>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.</b> <b>Use delivery charge on consumer's bill (including cost of losses and excluding all rate riders).</b> <b>Use 750 kWh / month for the average residential consumer. Provide any additional information as required.</b></p> <p>The delivery charges will increase for customers moving from St. Thomas Energy Inc. to Hydro One. Table 1 shows the delivery and total bill impacts for these customers at typical consumption levels.</p> <p><b>Table 1: Bill Impacts at Typical Consumption Levels for Customers Moving from St. Thomas Energy Inc. to Hydro One Networks (Rates effective January 1, 2017)</b></p> <table><tr><th rowspan="2">Monthly Consumption (kWh)</th><th colspan="4">St. Thomas 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>20.47</td><td>0.0086</td><td>41.13</td><td>R1</td><td>33.77</td><td>0.023</td><td>67.12</td><td>25.99</td></tr><tr><td>750</td><td>RES</td><td>20.47</td><td>0.0086</td><td>41.13</td><td>R2</td><td>19.83</td><td>0.0374</td><td>66.23</td><td>25.10</td></tr><tr><td>2,000</td><td>GS&lt;50</td><td>24.00</td><td>0.0164</td><td>92.54</td><td>GSE</td><td>27.87</td><td>0.056</td><td>183.31</td><td>90.77</td></tr></table> <p>* Includes low voltage charge ** Includes RTSR charges and cost of losses.</p> <p>As shown in Table 2, customers moving from Hydro One Networks to St. Thomas Energy Inc. will see a reduction in their monthly delivery charges. As such, no credits are required for these customers.</p> <p><b>Table 2: Bill Impacts at Typical Consumption Levels for Customers Moving from Hydro One Networks) to St. Thomas Energy Inc. (Rates effective January 1, 2017)</b></p> <table><tr><th rowspan="2">Monthly Consumption (kWh)</th><th colspan="4">Hydro One Networks</th><th colspan="4">St. Thomas Energy Inc.</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>R1</td><td>33.77</td><td>0.0230</td><td>67.12</td><td>RES</td><td>20.47</td><td>0.0086</td><td>41.13</td><td>(25.99)</td></tr></table> <p>* Includes low voltage charge ** Includes RTSR charges and cost of losses.</p>	Monthly Consumption (kWh)	St. Thomas 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	20.47	0.0086	41.13	R1	33.77	0.023	67.12	25.99	750	RES	20.47	0.0086	41.13	R2	19.83	0.0374	66.23	25.10	2,000	GS<50	24.00	0.0164	92.54	GSE	27.87	0.056	183.31	90.77	Monthly Consumption (kWh)	Hydro One Networks				St. Thomas Energy Inc.				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	R1	33.77	0.0230	67.12	RES	20.47	0.0086	41.13	(25.99)
Monthly Consumption (kWh)	St. Thomas 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	20.47	0.0086	41.13	R1	33.77	0.023	67.12	25.99																																																																				
750	RES	20.47	0.0086	41.13	R2	19.83	0.0374	66.23	25.10																																																																				
2,000	GS<50	24.00	0.0164	92.54	GSE	27.87	0.056	183.31	90.77																																																																				
Monthly Consumption (kWh)	Hydro One Networks				St. Thomas Energy Inc.				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	R1	33.77	0.0230	67.12	RES	20.47	0.0086	41.13	(25.99)																																																																				
1.5.2	<p><b>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.</b></p> <p>No assets will be stranded as a result of this amendment.</p>																																																																												
1.5.3	<p><b>Identify costs for stranded equipment that would need to be de-energized or removed.</b></p> <p>N/A – please see 1.5.2</p>																																																																												
1.5.4	<p><b>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.</b></p> <p>Please see Part 2</p>																																																																												

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 St. Thomas Energy Inc. 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 and general service customer moving from St. Thomas Energy Inc. to Hydro One Networks.

**Table 3: Credit Amounts to Eliminate the Increase in Delivery Charges for Customers Moving from St. Thomas Energy Inc. to Hydro One Networks (Rates effective January 1, 2017)**

Index	Average Monthly Consumption (kWh)	St. Thomas Energy Inc.		Hydro One Networks		Monthly Credit (\$)
		Rate Class	Delivery Charges (\$)	Rate Class	Delivery Charges (\$)	
Cust1	596	RES	37.05	R2	56.86	19.81
Cust2	890	RES	44.83	R2	74.74	29.91
Cust3	1764	RES	67.99	R2	127.89	59.90
Cust4	1744	RES	67.46	R2	126.67	59.21
Cust5	1077	RES	49.79	R1	81.31	31.52
Cust6	1781	RES	68.44	R1	111.87	43.44
Cust7	855	RES	43.91	R1	71.67	27.77
Cust8	1336	RES	56.65	R1	92.55	35.91
Cust9	834	RES	43.35	R1	70.76	27.41
Cust10	1273	RES	54.98	R1	89.82	34.84
Cust11	1336	GS<50	70.04	GSE	131.97	61.92

<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 "[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	<b>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)</b> See Attachments 1 and 2.
2.1.2	<b>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.</b> 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	<b>Indicate which distributor’s customers are currently served by the assets.</b> 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	<b>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.</b>  Once approved, Hydro One will sell the assets servicing current Hydro One geographical customers to St. Thomas Energy Inc. for \$630.00 plus applicable taxes. A detailed breakdown of the assets is included in Attachment 1.  St. Thomas Energy Inc. will sell the assets servicing current St. Thomas Energy Inc. geographical customers to Hydro One for \$12,510.00 plus applicable taxes. A detailed breakdown of the assets is included in Attachment 2.
2.2.2	<b>Will the transfer impact any other parties (e.g. joint users of poles) including any agreements with third parties? If yes, please specify how.</b>  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	Joanne Richardson Director - Major Projects and Partnerships, Regulatory Affairs	May 8, 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.)

#### **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
<i>RM</i> 	Robert Kent Chief Operating Officer	<i>May 5 / 17</i>

(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

[illegible]

	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	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	0	3	0	0	0	0	0	0	0	0
Total O/H	0	0	0	0	0	0	0	150	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)	120															

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		
	0	0	0	0	0	0	0		
Transformers	5	10	15	25	50	75	100	167	Total
	0	0	0	0	0	0	0	0	0
Primary Wire (metres)	0								
Secondary O/H Wire (Metres)	270								
Secondary U/G Wire (Metres)	0								
Current Transformers	0								
Sentinel Lights	0								
Easements	0								

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









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
	133	Centennial Ave	St. Thomas	N5R 5B1	Lot 10			STT0011306	Fig.8	Res + RPP
	125	Centennial Ave	St. Thomas	N5R 5B1	Lot 10			STT0012203	Fig.8	Res + RPP
	41237	Major Line	St. Thomas	N5P 3T1	Lot B			STT0010246	Fig.4	Res + RPP
	41291	Major Line	St. Thomas	N5P 3T1	Lot B			STT0005227	Fig.8	Res + RPP
	42468	Southdale Line	St. Thomas	N5R 1B8	Lot 25			STT0005423	Fig.3	Res + RPP
	42294	Southdale Line	St. Thomas	N5R 1B8	Lot 2			STT0005424	Fig.1	Res + RPP
	42346	Southdale Line	St. Thomas	N5R 5B1	Lot 2			STT0005422	Fig.2	Res + RPP
	42474	Southdale Line	St. Thomas	N5R 5B1	Lots 24/25			STT0005421	Fig.8	Res + RPP
	42260	Southdale Line	St. Thomas	N5R 5B1	Lot 7			STT0001416	Fig.3	Res + RPP
	42488	Southdale Line	St. Thomas	N5P 3T1	Lot 24			STT0005175	Fig.3	Res + RPP
	43897	Water Tower Line	St. Thomas	N5P 3V6	Lot 4			STTP800002	Fig.5	GS<50 RPP
	9783	Wellington Road	St. Thomas	N5P 4K2					Fig.10	Res + RPP



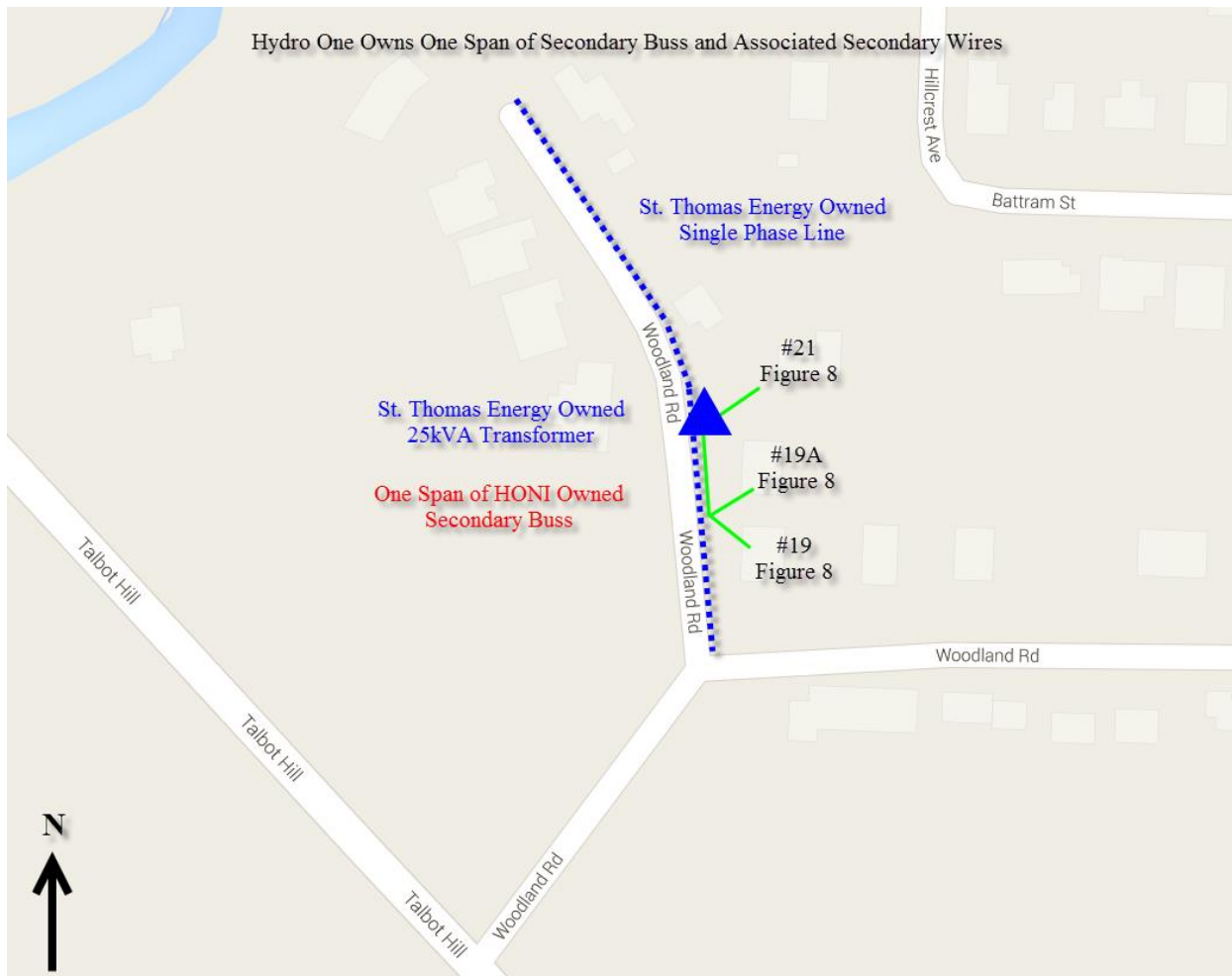
# Hydro One Geographical LDC Maps for LTLT Elimination with St. Thomas Energy Inc.

## as Physical LDC

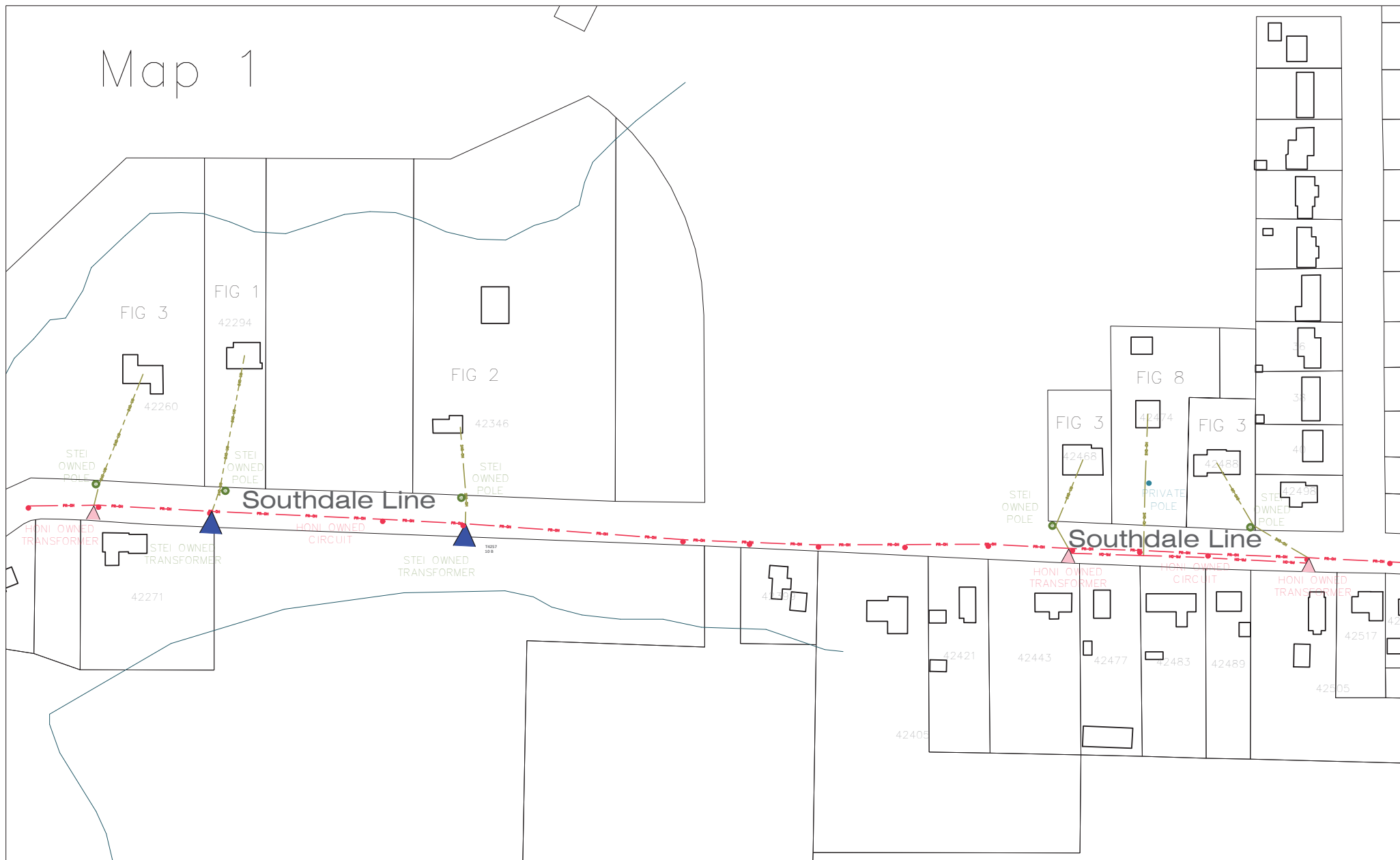
### Maps Legend

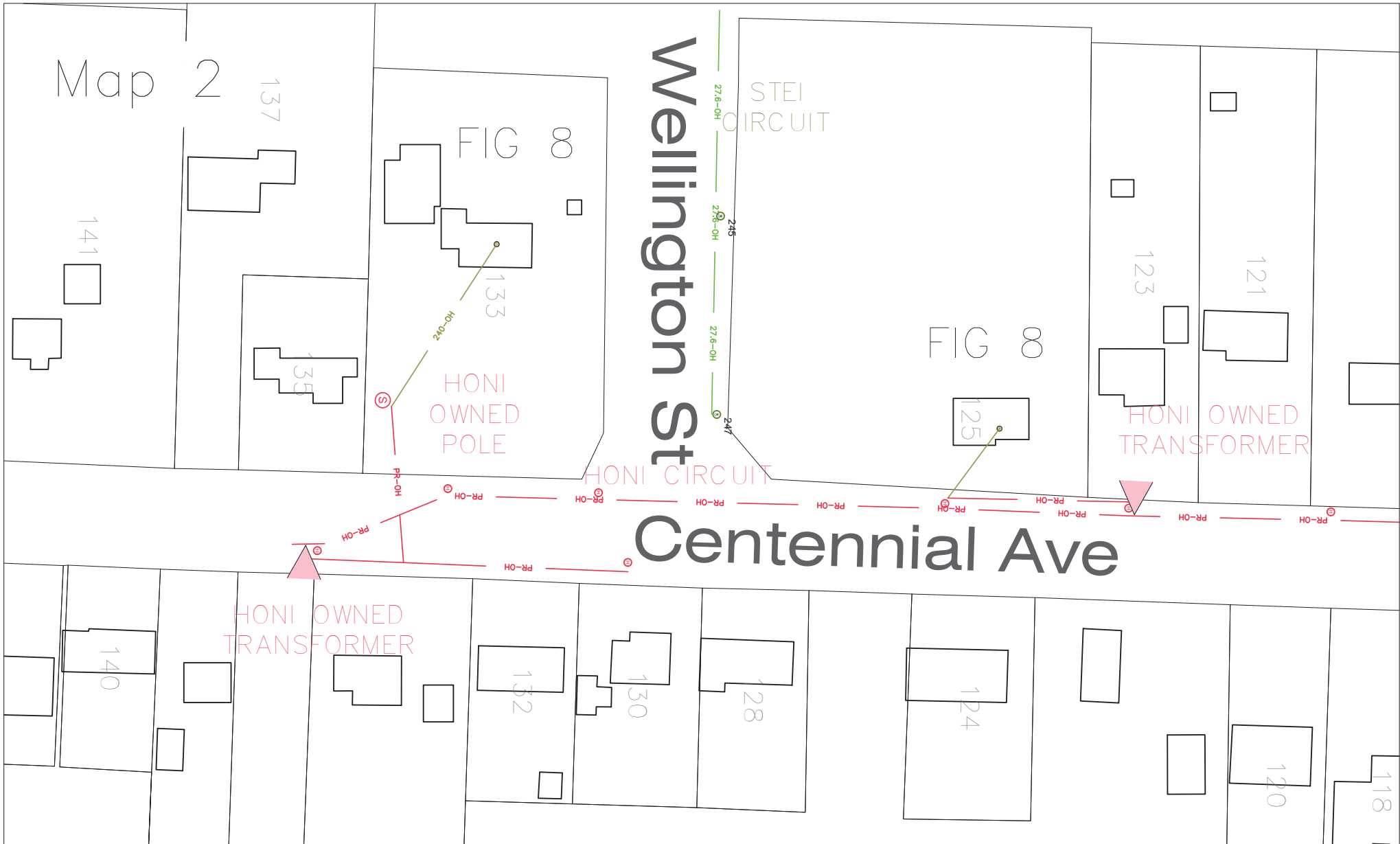
	All LDC Primary Assets and Buss
	LDC Transformer
	HONI Three Phase Transformer
	HONI Transformer
	All HONI Secondary including Buss
	HONI Three Phase Primary
	HONI Single Phase Primary
	HONI Poles

Map #1 –



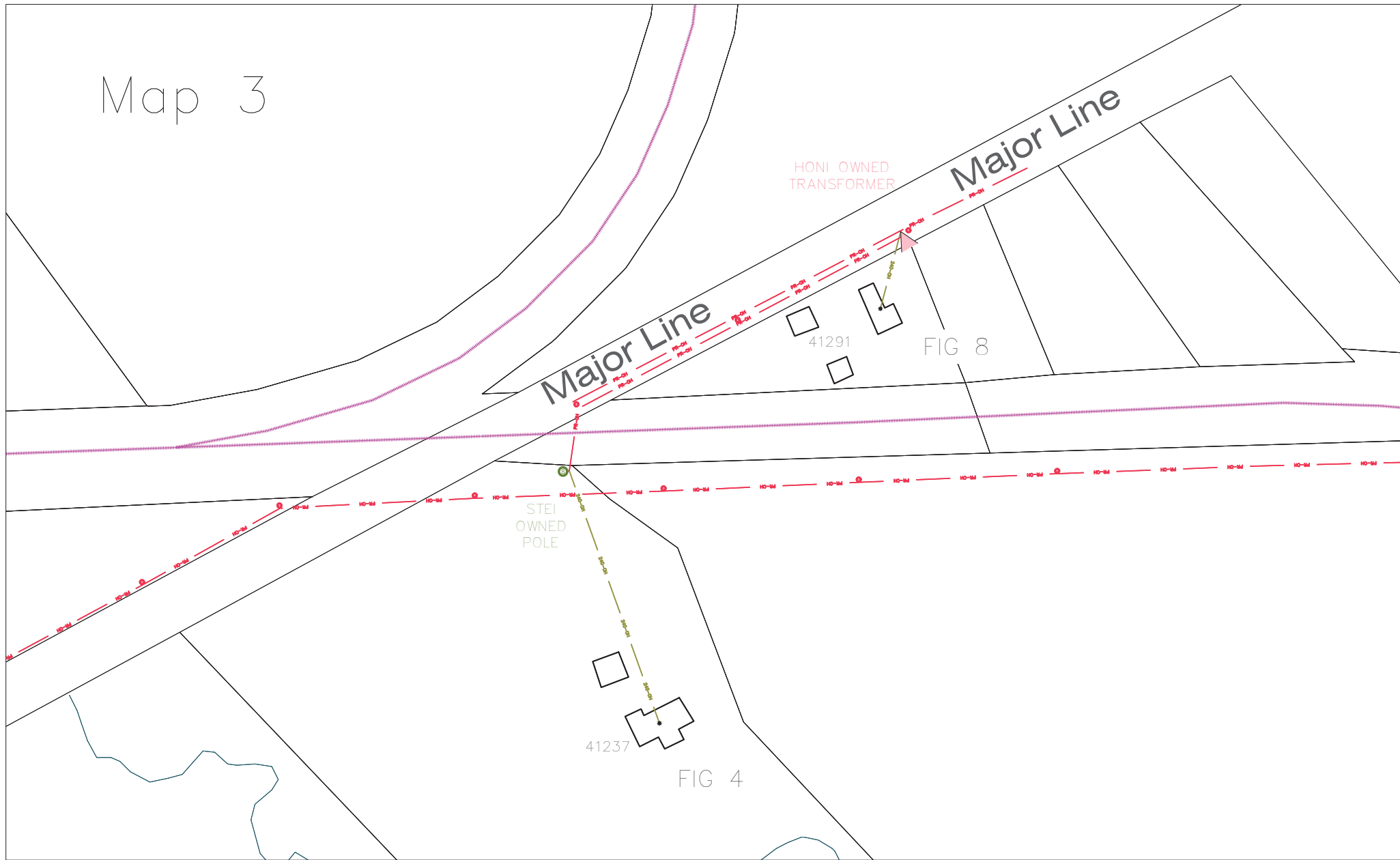
# Map 1



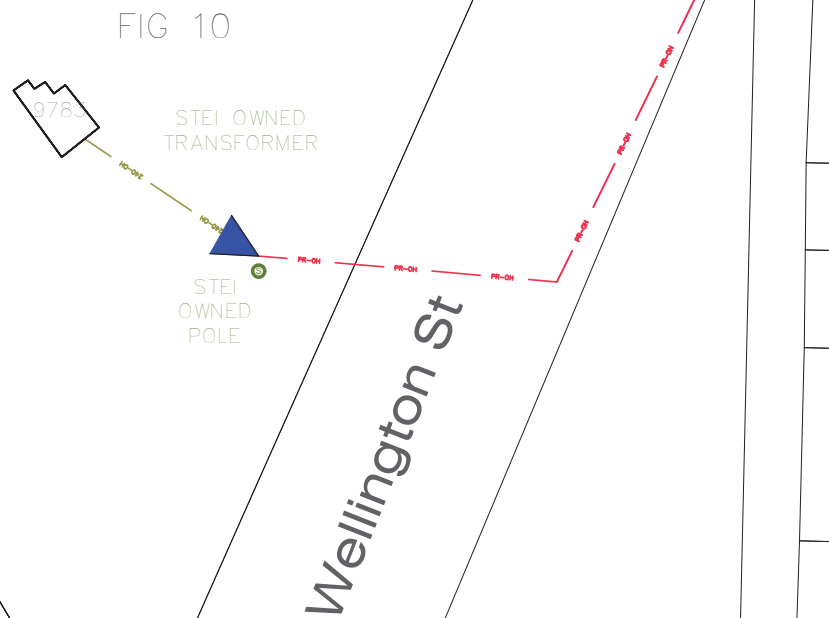




## Map 3



## Map 4



Map 5

Water Tower Line

STEEL OWNED  
TRANSFORMER

43897

FIG 5

