May 9, 2017

Ms. Kirsten Walli Board Secretary Ontario Energy Board 27th Floor/ P.O. Box 2319 2300 Yonge St. Toronto, ON M4P 1E4

Dear Ms. Walli:

Re: Request for Temporary Exemption from Section 6.5.3 of the DSC – Long Term Load Transfer Eliminations – Comments from Halton Hills Hydro Inc. Board File no. EB-2016-0366

On May 1, 2017, Board Staff requested Halton Hills Hydro Inc. ("HHHI") to comment on the relevance of Slide 55 (shown in Appendix A of this submission) to the request for temporary exemption from Section 6.5.3 of the DSC (EB-2016-0366). The slide was part of HHHI's 2016 Cost of Service Application Presentation Day (EB-2015-0074) held on November 25, 2015.

The purpose of the presentation was "to provide an overview of the application [HHHI] has filed with the OEB and should focus on the business conditions HHHI anticipates over the next 5 years, the planning it has undertaken to address system needs and customer preferences, and its proposal regarding how the costs of distributing electricity ought to be recovered from customers through the rates they pay, taking into consideration the OEB's policies".

Slide 55 provides an overview of the System Access Region road improvement project for Winston Churchill Blvd. that appears in HHHI's Distribution System Plan ("DSP") submitted and accepted as part of proceeding EB-2015-0074. The project is listed on pages 88 and 96 of the DSP under the OEB Category - System Access and listed as "Winston Churchill Blvd. (5 Side Rd to Mayfield Rd.)". The costs associated with the project are listed in 2018 in the amount of \$2,426,000. The cost of \$1,334,000 showing on Slide 55 is the projected cost to HHHI after expected contributions from the Region of Peel, the Region of Halton and Alectra (previously Hydro One Brampton).

On page 90 of HHHHI's DSP, the project is described as follows:

'Halton Hills Hydro has been working with the Region of Peel, Region of Halton, and Hydro One Brampton Networks Inc. with respect to road improvements on Winston Churchill Blvd. The road improvements will require relocation of both utilities infrastructure for which Halton Hills Hydro and Hydro One Brampton Networks Inc. are jointly designing a pole line which both utilities will cohabitate and in doing so achieve cost savings. At present, Halton Regions plans with respect to road improvements will include significant changes in the area of Winston Churchill Blvd and 10 Side Road where Halton Hills Hydro presently is anticipating relocation all of its infrastructure to



accommodate the road improvements. The utility has been corresponding with the Region of Peel's design firm who advises they expect utility relocations to begin in 2018. As such Halton Hills Hydro has included this system access project in that year"

The long-term load transfers with Alectra on Winston Churchill Blvd. and included in the request for temporary exemption from Section 6.5.3 of the DSC (EB-2016-0366) is a section of the project described in Slide 55.

HHHI foresees additional efficiencies and reliability for HHHI customers with the building of the joint pole line as a result of built in redundancy loops.

In the event of any additional information, questions or concerns, please contact David Smelsky, Chief Financial Officer, at <u>dsmelsky@haltonhillshydro.com</u> or (519) 853-3700 extension 208, or Tracy Rehberg-Rawlingson, Regulatory Affairs Officer, at <u>tracyr@haltonhillshydro.com</u> or (519) 853-3700 extension 257.

Sincerely,

(Original signed)

David J. Smelsky, CPA, CMA Chief Financial Officer

Cc: Arthur A. Skidmore, President & CEO, HHHI Tracy Rehberg-Rawlingson, Regulatory Affairs, HHHI Richard King, Counsel, Osler, Hoskin & Harcourt LLP

Appendix A

