

Hydro One Networks Inc.

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Joanne Richardson

Director – Major Projects and Partnerships
Regulatory Affairs



BY COURIER

May 31, 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:

Hydro One Networks Inc. - Service Area Amendment Application

Please find attached Hydro One Networks Inc.'s Service Area Amendment Application for an Order or Orders to amend schedule 1 of its electricity distribution licence. This application is for the purpose of connecting a new customer that is located in Kenora Hydro Electric Corporation Ltd.'s service area.

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

**Service Area Amendment Application
Hydro One Networks Inc.**

**Date:
May 31, 2017**

7.0 INTRODUCTION

This application for a Service Area Amendment is structured and follows the minimum filing requirement for SAA assigned by the Ontario Energy Board. The section numbers follow the filing requirement of the base reference.

Hydro One Networks Inc. (“Hydro One”) hereby applies to the Ontario Energy Board (the “OEB”) for an Order or Orders to amend schedule 1 of its electricity distribution licence.

This application for a service area amendment (“SAA”) is specifically for the purpose of connecting a new customer that is located in Kenora Hydro Electric Corporation Ltd. (“Kenora Hydro”) service area. The subject area is contiguous to Hydro One’s existing licenced boundary.

Kenora Hydro has indicated it supports Hydro One’s SAA. Approval of this application will have no adverse affect on any person.

7.1 BASIC FACTS

GENERAL

7.1.1 (a)

*Provide the contact information for the applicant
Contact information includes the name, postal address, telephone number, and, where available, the email address and fax number of the person*

Applicant:

Hydro One Networks Inc.
Pasquale Catalano
Regulatory Advisor, Regulatory Affairs
483 Bay Street, South Tower, 7th Floor, Toronto, ON M5G 2P5
Phone: 416-345-5405
Fax: 416-345-5866
Email: regulatory@hydroone.com

7.1.1 (b)

*Provide the contact information for the incumbent distributor
Contact information includes the name, postal address, telephone number, and, where available, the email address and fax number of the person*

Incumbent Distributor:

Kenora Hydro Electric Corporation Ltd.
Dave Sinclair
President and CEO
215 Mellick Avenue, P.O. Box 2680
Kenora, ON P9N 3X8
Phone: 807-467-2075

Fax: 807-467-2068
Email: dsinclair@kenora.ca

7.1.1 (c)

*Provide every affected customer, landowner, and developer in the area that is the subject of the SAA Application
Contact information includes the name, postal address, telephone number, and, where available, the email address and fax number of the person*

Registered Owner:

[REDACTED]

7.1.1 (d) & (e)

Provide any alternate distributor other than the applicant and the incumbent distributor, if there are any alternate distributors bordering on the area that is the subject of the SAA application; and any representative of the persons listed above including, but not limited to, a legal representative

- There are no alternate distributors.

7.1.2 REASONS FOR APPROVAL OF THIS AMENDMENT

Indicate the reasons why this amendment should occur and identify any load transfers eliminated by the proposed SAA.

- The customer located at [REDACTED] in the City of Kenora purchased the 39 acre parcel of property – Conc 1J and 2J, Lot 4, Parcel 13424 in the Township of Jaffray Melick, Kenora. The subject property lies in Kenora Hydro's service area. The owner of the subject property requested Kenora Hydro to service the proposed building site, however, Kenora Hydro's closest point of connection is approximately 600 meters away. In addition Kenora Hydro would have to cross over two other private properties which would require permission, right away allowances or easements. Hydro One's distribution system is approximately 200 meters from the point of connection and is the lowest cost to provide service to the proposed building site.

DESCRIPTION OF PROPOSED SERVICE AREA

7.1.3

(a) Provide a detailed description of the lands that are the subject of the SAA application. For SAA applications dealing with individual customers, the description of the lands should include the lot number, the concession number, and the municipal address of the lands. The address should include the street number, municipality and/or county, and postal code of the lands.

For SAA applications dealing with general expansion areas, the description of the lands should include the lot number and the concession number of the lands, if available, as well as a clear description of the boundaries of the area (including relevant geographical and geophysical features).

The subject land is described as:

- Conc 1J and 2J, Lot 4, Parcel 13424, Township of Jaffray Melick, Kenora

See Attachment 'A' – Map – Hydro One and Kenora Hydro Existing and Proposed Service Area Amendment

(b) Provide geographic descriptions of the lands that are subject of the SAA application and how they should be reflected on Schedule 1 of the applicants' electricity distribution licences.

The proposed amendment would have no impact on Hydro One's distribution licence however, **Kenora Hydro Electric Corporation Ltd. (ED-2003-0030)**

The proposed amendment requires that Schedule 1 of Kenora Hydro current electricity distribution licence, ED-2003-0030, be amended by adding the following language:

6. Except for the following lands which are served by Hydro One Networks Inc.
- Conc 1J and 2J, Lot 4, Parcel 13424, Township of Jaffray Melick, Kenora

7.1.4

Provide one or more maps or diagrams of the area that is the subject of the SAA application.

- See Attachment 'A' – Map – Hydro One and Kenora Hydro Existing and Proposed Service Area Amendment

7.1.4 (a)

Borders of the applicant's service area

- See Attachment 'A' – Map – Hydro One and Kenora Hydro Existing and Proposed Service Area Amendment

7.1.4 (b)

Borders of the incumbent distributor's service area

- See Attachment 'A' – Map – Hydro One and Kenora Hydro Existing and Proposed Service Area Amendment

7.1.4 (c)

Borders of any alternate distributor's service area

- Not Applicable

7.1.4 (d)

Territory surrounding the area for which the applicant is making SAA application

- See Attachment 'A' – Map – Hydro One and Kenora Hydro Existing and Proposed Service Area Amendment

7.1.4 (e)

Geographical and geophysical features of the area including, but not limited to, rivers and lakes, property borders, roads, and major public facilities

- See Attachment 'A' – Map – Hydro One and Kenora Hydro Existing and Proposed Service Area Amendment

7.1.4 (f)

Existing facilities supplying the area that is the subject of the SAA application, if applicable, as well as the proposed facilities which will be utilized by the applicant to supply the area that is the subject of the SAA application (Note: if the proposed facilities will be utilized to also provide for expansion of load in the area that is the subject of the SAA application, identify that as well)

- See Attachment 'A' – Map – Hydro One and Kenora Hydro Existing and Proposed Service Area Amendment

DISTRIBUTION INFRASTRUCTURE IN AND AROUND THE PROPOSED AMENDMENT AREA

7.1.5

Provide a description of the proposed type of physical connection (i.e., individual customer; residential subdivision, commercial or industrial development, or general service area expansion).

- The proposed physical connection is a residential medium density customer.

7.1.6

Provide a description of the applicant's plans, if any, for similar expansions in lands adjacent to the area that is the subject of the SAA application.

Provide a map or diagram showing the lands where expansions are planned in relation to the area that is the subject of the SAA application.

- There are no plans for any further expansion in the area that is subject to this SAA application.

7.2 EFFICIENT RATIONALIZATION OF THE DISTRIBUTION SYSTEM

The proposed SAA will be evaluated in terms of rational and efficient service area realignment. This evaluation will be undertaken from the perspective of economic (cost) efficiency as well as engineering (technical) efficiency.

Applicants must demonstrate how the proposed SAA optimizes the use of existing infrastructure. In addition, applicants must indicate the long term impacts of the proposed SAA on reliability in the area to be served and on the ability of the system to meet growth potential in the area. Even if the proposed SAA does not represent the lowest cost to any particular party, the proposed SAA may promote economic efficiency if it represents the most effective use of existing resources and reflects the lowest long run economic cost of service to all parties.

- The purpose of this SAA is to effectively service the customer at Conc. 1J and 2J, Lot 4, PCL 13424 in Jaffray Township, Kenora. Hydro One's distribution system is approximately 200 meters from the point of connection, whereas Kenora Hydro's distribution system is approximately 600 meters away. In addition if Kenora Hydro was to be the service provider, the customer would need to obtain easements from the adjacent properties and incur additional tree cutting costs. Amending the service area of the distributors such that Hydro One serves the customer is the most practical solution and is the lowest cost to provide service to the proposed site.

7.2.1 ECONOMIC AND ENGINEERING EFFICIENCY

In light of the above, provide a comparison of the economic and engineering efficiency for the applicant and the incumbent distributor to serve the area that is the subject of the SAA application.

(NOTE: (a), (b), (c), (d), (e), (f), (g), (h))

7.2.1 (a)

Location of the point of delivery and the point of connection

- The customer will be served by Hydro One's Margach DS, F1 distribution feeder
- See Attachment 'A' – Map – Hydro One and Kenora Hydro Existing and Proposed Service Area Amendment

7.2.1 (b)

Proximity of the proposed connection to an existing, well developed electricity distribution system

- See Attachment 'A' – Map – Hydro One and Kenora Hydro Existing and Proposed Service Area Amendment
- The proposed connection already exists inside Hydro One's distribution system. The point of connection to the building site is approximately 200 meters

7.2.1 (c)

*The fully allocated connection costs for supplying the customer (i.e., individual customers or developers) unless the applicant and the incumbent distributor provide a reason why providing the fully allocated connection costs is unnecessary for the proposed SAA
(Note: the Board will determine if the reason provided is acceptable).*

- Both Hydro One and Kenora Hydro have jointly agreed that the Hydro One connection solution is more economical and technically efficient. This detailed information has not been provided given that this is a consented application.

7.2.1 (d)

The amount of any capital contribution required from the customer

- Not Applicable

7.2.1 (e)

Costs for stranded equipment (i.e., lines, cables, and transformers) that would need to be de-energized or removed

- No equipment will be stranded.

7.2.1 (f)

Information on whether the proposed SAA enhances, or at a minimum does not decrease, the reliability of the infrastructure in the area that is the subject of the SAA application and in regions adjacent to the area that is the subject of the SAA application over the long term

- The reliability of the infrastructure in the subject and surrounding area will not be compromised in any way.

7.2.1 (g)

Information on whether the proposed infrastructure will provide for cost-efficient expansion if there is growth potential in the area that is the subject of the SAA application and in regions adjacent to the area that is the subject of the SAA application

- Not Applicable

7.2.1 (h)

Information on whether the proposed infrastructure will provide for cost-efficient improvements and upgrades in the area that is the subject of the SAA application and in regions adjacent to the area that is the subject of the SAA application.

- Not Applicable

7.3 IMPACTS ARISING FROM THE PROPOSED AMENDMENT

Description of Impacts

7.3.1

Identify any affected customers or landowners.

- See 7.1.1 (c).

7.3.2

Provide a description of any impacts on costs, rates, service quality, and reliability for customers in the area that is the subject of the SAA application that arise as a result of the proposed SAA. If an assessment of service quality and reliability impacts cannot be provided, explain why.

- Approval of this application will not cause any negative impacts on costs, rates, service, and reliability to customers in the area.

7.3.3

Provide a description of any impacts on costs, rates, service quality, and reliability for customers of any distributor outside the area that is the subject of the SAA application that arise as a result of the proposed SAA. If an assessment of service quality and reliability impacts cannot be provided, explain why.

- No impacts to any customers.

7.3.4

Provide a description of the impacts on each distributor involved in the proposed SAA. If these impacts have already been described elsewhere in the application, providing cross-references is acceptable.

- No impact.

7.3.5

Provide a description of any assets which may be stranded or become redundant if the proposed SAA is granted.

- There are no stranded or redundant assets.

7.3.6

Identify any assets that are proposed to be transferred to or from the applicant. If an asset transfer is required, has the relevant application been filed in accordance with section 86 of the Act? If not, indicate when the applicant will be filing the relevant section 86 application.

- There is no transfer of assets.

7.3.7

Identify any customers that are proposed to be transferred to or from the applicant.

- Not Applicable

7.3.8

Provide a description of any existing load transfers or retail points of supply that will be eliminated.

- Not Applicable.

7.3.9

Identify any new load transfers or retail points of supply that will be created as a result of the proposed SAA. If a new load transfer will be created, has the applicant requested leave of the Board in accordance with section 6.5.5 of the Distribution System Code (“DSC”)?
If not, indicate when the applicant will be filing its request for leave under section 6.5.5 of the DSC with the Board. If a new retail point of supply will be created, does the host distributor (i.e., the distributor who provides electricity to an embedded distributor) have an applicable Board approved rate? If not, indicate when the host distributor will be filing an application for the applicable rate.

- There are no new load transfers or retail points of supply that will be created.

EVIDENCE OF CONSIDERATION AND MITIGATION OF IMPACTS

7.3.10

Provide written confirmation by the applicant that all affected persons have been provided with specific and factual information about the proposed SAA. As part of the written confirmation, the applicant must include details of any communications or consultations that may have occurred between distributors regarding the proposed SAA.

- The customer has been provided with specific and factual information about the proposed SAA

7.3.11

Provide a letter from the incumbent distributor in which the incumbent distributor indicates that it consents to the application.

- See Attachment 'B'

7.3.12

Provide a written response from all affected customers, developers, and landowners consenting to the application, if applicable.

- See Attachment 'C'

7.3.13

Provide evidence of attempts to mitigate impacts where customer and/or asset transfers are involved (i.e., customer rate smoothing or mitigation, and compensation for any stranded assets).

- Not Applicable

7.4 CUSTOMER PREFERENCE

7.4.1

An applicant who brings forward an application where customer choice may be a factor must provide a written statement signed by the customer (which includes landowners and developers) indicating the customer's preference.

- See Attachment 'C'

7.5 ADDITIONAL INFORMATION REQUIREMENTS FOR CONTESTED APPLICATIONS

If there is no agreement among affected persons regarding the proposed SAA, the applicant must file the additional information set out below.

- Not Applicable

7.5.1

If the application was initiated due to an interest in service by a customer, landowner, or developer, evidence that the incumbent distributor was provided an opportunity to make an offer to connect that customer, landowner, or developer.

- Not Applicable

7.5.2

Evidence that the customer, landowner, or developer had the opportunity to obtain an offer to connect from the applicant and any alternate distributor bordering on the area that is the subject of the SAA application.

- Not Applicable

7.5.3

Actual copies of, as well as a summary of, the offer(s) to connect documentation (including any associated financial evaluations carried out in accordance with Appendix B of the Distribution System Code). The financial evaluations should indicate costs associated with the connection including, but not limited to, on-site capital, capital required to extend the distribution system to the customer location, incremental up-stream capital investment required to serve the load, the present value of incremental OM&A costs and incremental taxes as well as the expected incremental revenue, the amount of revenue shortfall, and the capital contribution requested.

- Not Applicable

7.5.4

If there are competing offers to connect, a comparison of the competing offers to connect the customer, landowner, or developer.

- Not Applicable

7.5.5

A detailed comparison of the new or upgraded electrical infrastructure necessary for each distributor to serve the area that is the subject of the SAA application, including any specific proposed connections.

- Not Applicable

7.5.6

Outage statistics or, if outage statistics are not available, any other information regarding the reliability of the existing line(s) of each distributor that are proposed to supply the area that is the subject of the SAA application.

- Not Applicable

7.5.7

Quantitative evidence of quality and reliability of service for each distributor for similar customers in comparable locations and densities to the area that is the subject of the SAA application.

- Not Applicable

7.6 OTHER

It is the sole responsibility of the Applicant to provide all information that is relevant and that would assist the Board in making a determination in this matter. Failure to provide key information may result in a delay in the processing of the application or in the denial of the application.

7.7 REQUEST FOR NO HEARING

Does the applicant request that the application be determined by the Board without a hearing? If yes, please provide:

(a) an explanation as to how no person, other than the applicant and the proposed recipient, will be adversely affected in a material way by the outcome of the proceeding

AND

(b) the proposed recipient's written consent to the disposal of the application without a hearing. See Support Letter.

(a) There will be no adverse impact on the affected customer with regard to safety and reliability. It has been discussed and agreed with both parties that Hydro One is the preferred distributor for providing service to this customer.

(b) The signature on this application acknowledges consent to dispose of this application without a hearing.

ORIGINAL SIGNED BY JOANNE RICHARDSON

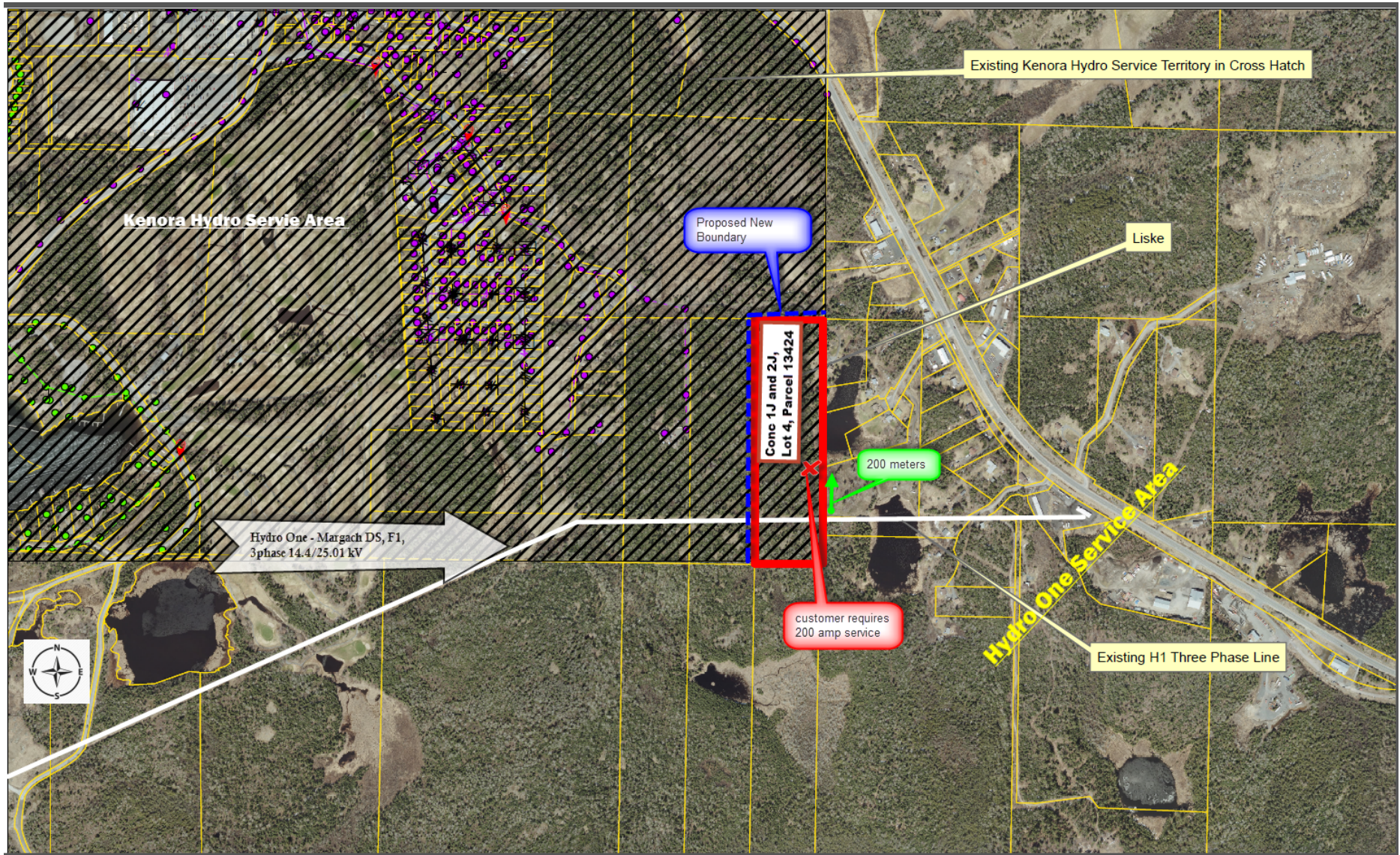
Joanne Richardson
Director – Major Projects and Partnerships
Hydro One Networks Inc.

Dated: May 31, 2017

List of Attachments

- **ATTACHMENT ‘A’**
Map – Hydro One and Kenora Hydro Existing and Proposed Service Area Amendment
- **ATTACHMENT ‘B’**
Incumbent Distributor – Kenora Hydro – Letter of Consent
- **ATTACHMENT ‘C’**
Customer – [REDACTED] – Letter of Consent

Attachment 'A' - Map



Hydro One and Kenora Hydro Existing and Proposed Service Area Amendment



File: 400.3

April 3, 2017

Hydro One Networks Inc.
Pasquale Catalano
Regulatory Advisor, Regulatory Affairs
483 Bay Street, South Tower, 7th Floor, Toronto, ON M5G 2P5

Dear Mr. Catalano:

Re: HONI SSA- Liske, Kenora, Ontario

This is to confirm that Kenora Hydro Electric Corporation Ltd. ("Kenora Hydro") supports your application to amend Hydro One Networks Inc. ("Hydro One") Distribution Licence as proposed in Hydro One's service area amendment application and listed below for ease of reference:

-Conc 1J and 2J, Lot 4, Parcel 13424, in the City of Kenora.

Also, Kenora Hydro supports Hydro One's request to proceed with this service area amendment without a hearing.

If you require anything further, please feel free to contact our office.
Sincerely,

A handwritten signature in black ink, appearing to read "David Sinclair", written over a light blue background.

David Sinclair
President and CEO

March 31, 2017

[REDACTED]

Hydro One Networks Inc.
483 Bay Street, South Tower, 7th Floor
Toronto, ON M5G 2P5
Attention: Pasquale Catalano
Regulatory Advisor, Regulatory Affairs

Dear Mr. Catalano:

Hydro One Application for a Service Area Amendment

This letter is to consent Hydro One's application to amend Hydro One's Distribution Licence to include the property at Conc 1J and 2J, Lot 4, Parcel 13424 in the City of Kenora. We also support Hydro One to proceed with this service area amendment application without a hearing.

We understand that Kenora Hydro is also in agreement with this service area amendment.

Yours very truly,

[REDACTED]