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BY COURIER

June 5, 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:

**EB-2017-0172 - Load Transfer Elimination Application – A Service Area Amendment & Asset Sale Application Between Hydro One Networks Inc. and Erie Thames Powerlines Corp. – Application Update**

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Since filing the joint application on April 18, 2017 to eliminate existing load transfer arrangements between Hydro One Networks Inc. (“Hydro One”) and Erie Thames Powerlines Corp. (“ETPC”), Hydro One field staff has confirmed that there are 2 corrections required to the original application.

1. There are 3 customers in the Belmont area (located at 341 Borden Avenue, 591 Willsie Bourne Road, and 45003 Taylor Line), that are physically served off Hydro One assets but downstream of an ETPC PME (labeled in Attachment 1 as Belmont North PME). More specifically, these customers are connected off the Hydro One Belmont DS F2 feeder, both customers and feeder are shown in red in Attachment 1. As per the Distribution Connection Agreement between Hydro One and ETPC, Hydro One owns all feeders, poles, and conductors excluding taps serving ETPC customers.

ETPC contends that these customers are LTLTs as the physical distributor is the distributor that is supplying the power not the distributor that owns the assets; Hydro One disagrees. Hydro One owns the Buchanan TS M21 feeder, which is being metered to ETPC at the Belmont North PME to allow ETPC to feed their customers within their service territory, rather than having their own infrastructure in place to connect their customers. This is a metering/settlement billing arrangement only, utilizing Hydro One physical assets. These 3 customers, subject to this proposed amendment, are Hydro One customers, within Hydro One territory, served by Hydro One owned assets. Consequently, Hydro One requests that these customers be removed from the previously filed LTLT list, and that Hydro One will continue to serve and bill them.

The current DSC amendments do not explicitly address how to handle customers downstream of a PME when distributors do not agree on who the physical distributor may be. For instance, Hydro One, in this application, has not requested the transfer of other ETPC customers (marked in purple in Attachment 1) served directly off the same Hydro One Belmont DS F2 feeder but within the existing ETPC service territory. Hydro One believes that Hydro One is indeed the physical distributor to these customers as well, but has refrained from applying to transfer these existing ETPC customers to Hydro One at this time as they do not abut the existing border between the two LDCs, i.e., these customers are further into ETPC's territory. Hydro One believes this situation may be something the Board will explore in the near future since this situation is not exclusive to connections between Hydro One and ETPC.

This disagreement has resulted in an impasse on these 3 aforementioned customer connections. Hydro One requests clarification from the Board on how to move forward with these specific customers.

2. The two local distribution companies continue to work cooperatively to eliminate all other existing load transfer arrangements and have agreed that one further customer, located at 2253 Perth Line 29 in Tavistock, who was not included in the original application, also needs to be transferred to ETPC as part of this elimination. Contrary to the previous situation discussed in 1 above, and as further illustrated in Attachment 2, ownership of the 3-phase line that serves the customer at 2253 Perth Line 29 transfers from Hydro One ownership up until the PME, to ETPC ownership downstream of the PME. Consequently, Hydro One and ETPC jointly agree that ETPC is indeed the physical distributor in this situation and the customer should be transferred to ETPC.

The total asset value associated with this customer is \$2,844. This cost represents one 25 kVA transformer, one 30 foot pole, one current transformer and associated secondary wire that will be transferred to ETPC. A letter has been sent to the customer informing them of the pending transfer.

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,

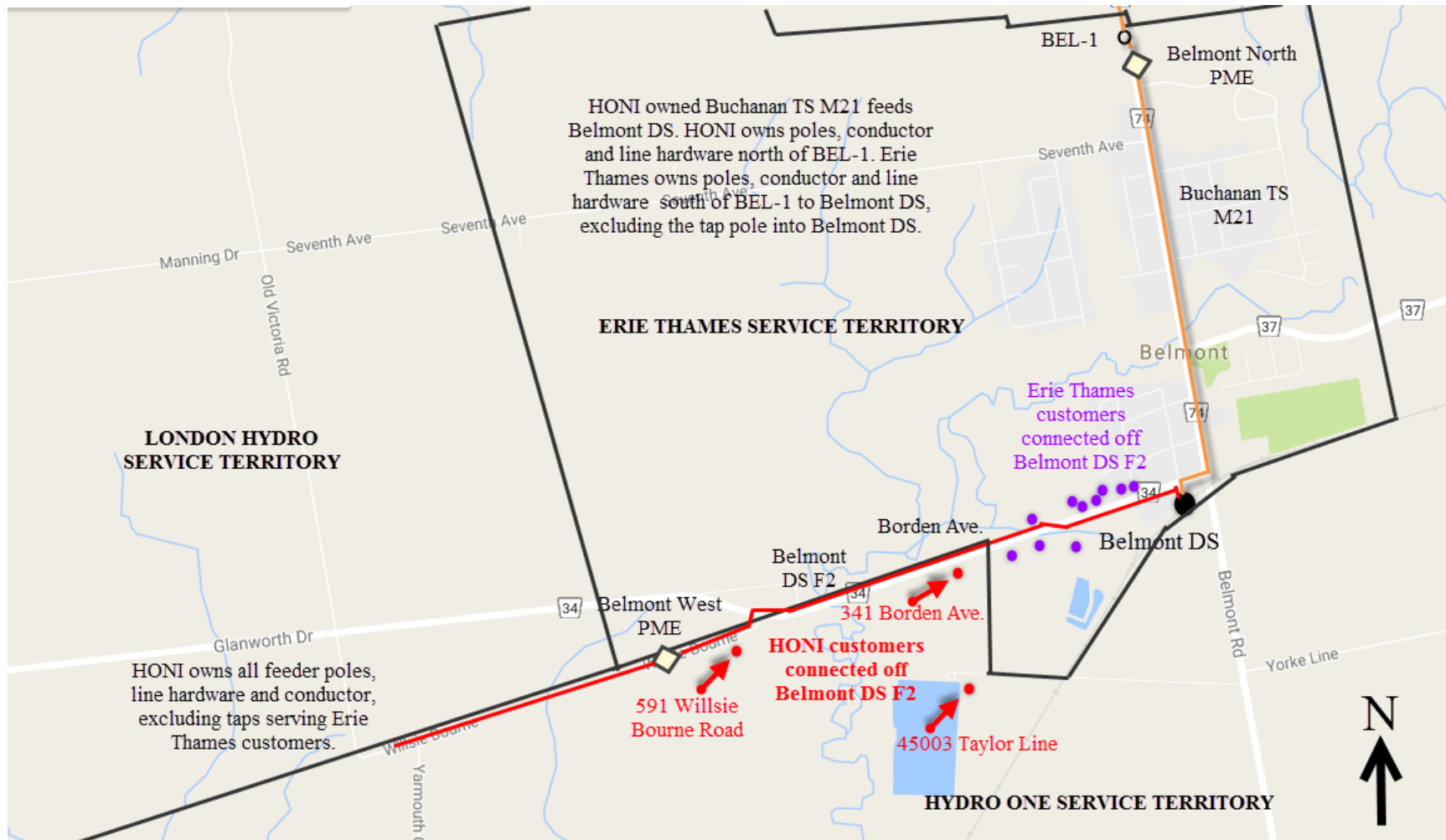
ORIGINAL SIGNED BY JOANNE RICHARDSON

Joanne Richardson

Attachment

cc. Diane Taylor

**Attachment 1 – Hydro One Connected Customers (Red) Served Off Hydro One Assets**



**Attachment 2 - 2253 Perth Line 29 in Tavistock**

