

Service Area Amendment Application – EB-2014-0221

Centre Wellington Hydro Ltd. ED-2002-0498

October 2, 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.

Centre Wellington Hydro Ltd. ("CWH") currently services Groves Memorial Community Hospital (the Customer) which is scheduled to be moved from its current location. The new hospital is to be built outside CWH's (the applicant's) service territory in a location that lies along the applicant's well-developed distribution system. The site is located at 361 Beatty Line N., Fergus in the Township of Centre Wellington and is currently in Hydro One Networks Inc.'s ("HONI") service territory.

The purpose of this Service Area Amendment ("SAA") is to update the service boundaries between CWH and HONI to ensure that both parties are compliant to their respective licenses.

CWH initiated this SAA in 2014 when the Customer confirmed the location of the new hospital and requested that CWH be their service provider. The initial SAA proposed by CWH included a large tract of land that the County of Wellington was planning to develop, which included the parcel upon which the new hospital was to be built. As noted in previously filed evidence, there has been significant activity with regards to this SAA, which ultimately led CWH to request an adjournment to allow for additional information to be obtained. The OEB provided the adjournment in Procedural Order No. 3, issued on November 28, 2014. Since that time, CWH and HONI have worked together with the Customer to clarify the servicing requirements, schedule, and specific lands to be included in the SAA. CWH has been able to obtain the information necessary to finalize this SAA which now includes only the parcel of land needed for the hospital, and in the process, CWH has been able to obtain the consent of HONI for this SAA.

CWH respectfully asks the OEB to consider the updated information provided with this Application as the most current and accurate information relevant to this Application.

Since HONI has given its consent for CWH to proceed with filing this SAA, CWH respectfully requests that this Application resume and that it be conducted without an oral hearing.

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

The Applicant:

Centre Wellington Hydro Ltd.

Wayne Dyce President/Secretary 730 Gartshore St. P.O. Box 217 Fergus, ON N1M 2W8 Telephone: 519-843-2900 Fax: 519-843-7601 E-mail: wdyce@cwhydro.ca

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

The Incumbent Distributor:

Hydro One Networks Inc.

Pasquale Catalano Regulatory Coordinator, Regulatory Affairs 483 Bay Street, 8th Floor, South Tower Toronto, ON M5G 2P5 Telephone: 416-345-5405 Fax: 416-345-5866 Email: regulatory@HydroOne.com 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

The Registered Owner:

Grove Memorial Community Hospital Dan Brzak Senior Project Manager Capital Projects 235 Union St E. Fergus, ON N1M 1W3 Telephone: 519-843-2010 x 3292 DBrzak@nwhealthcare.ca

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.

CWH, HONI and the Customer have reviewed the available servicing options and have agreed that CWH can provide the required servicing most economically. The Customer prefers to have CWH as the provider of the new Hospital and to include this customer in CWH's licensed service territory. HONI has provided their consent to this application.

There are no load transfers eliminated or created by the proposed SAA.

7.1.3 DESCRIPTION OF PROPOSED SERVICE AREA

(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 land subject to this SAA are owned and used for an individual customer.

The civic address is 361 Beatty Line N., Fergus, ON.

The Legal Description of the Owner's Lands is:

PLAN 61R – 11007, Part Lot 1, Part of Lots A,J,K and L, REG. Plan 178, in the Township of Centre Wellington. (See attachment 1 – Plan of survey.)

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

See attachment 3 - Map of land subject to this SAA included in applicants' borders.

The land should be added to CWH's Electricity Distribution Licence Schedule 1 as per bullet 8 below.

Centre Wellington Hydro Ltd. Electricity Distribution License ED-2002-0498

SCHEDULE 1: DEFINITION OF DISTRIBUTION SERVICE AREA

This Schedule specifies the area in which the Licensee is authorized to distribute and sell electricity in accordance with paragraph 8.1 of this Licence.

- 1. The former Town of Fergus as of December 31, 1998, now in the Township of Centre Wellington,
 - Excluding the following properties:
 - i. 525 Guelph Road, Fergus. PIN 715010038 of the former Township of Nichol
 - ii. 665 Guelph Road, Fergus. PIN 715010040 of the former Township of Nichol
 - iii. 630 Union Street West, Fergus. PIN 715010034 of the former Township of Nichol
 - iv. 640 Union Street West, 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:
 - i. 81 Sophia Street, Elora. PIN 714170024 of the former Township of Nichol
 - ii. 83 Sophia Street, 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 Street and Revell Drive, Concession 15 Part of Lot 20 now within the Township of Centre Wellington formerly in the Township of Nichol
- 5. 6510 Wellington Road 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 Street, Elora. PIN 714070047 of the former Township of Nichol.
- 7. 965 Gartshore Street, Fergus. PIN 711290284 of the former Township of Nichol
- 8. **361** Beatty Line N, Fergus, ON. Legal description, PLAN 61R 11007, Part Lot 1, Part of Lots A,J,K and L, REG. Plan 178, in the Township of Centre Wellington.

The proposed amendment would have no impact on HONI's distribution license as HONI's licensed service areas in the Township of Centre Wellington include all areas except the areas served by CWH.

Hydro One Networks Inc. Electricity Distribution License ED-2003-0043

SCHEDULE 1:DEFINITION OF DISTRIBUTION SERVICE AREA APPENDIX B – TAB 4

Name of Municipality: Township of Centre Wellington

Formerly Known As: Town of Fergus, Village of Elora, Township of West Garafraxa, Township of Nichol, Township of Pilkington, as at December 31, 1998.

Area Not Served by Networks: The area served by CWH described as the former Town of Fergus and the former Village of Elora as more particularly set out in License No. ED-2002-0498.

Network Assets within area not served by Networks: Yes

Customer(s) within Area not served by Networks: No

No change is required to HONI's license.

7.1.4

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

See attachment 3 and attachment 4.

7.1.4 (a)

Borders of the applicant's service area

See attachment 2 and attachment 3.

7.1.4 (b)

Borders of the incumbent distributor's service area

HONI's distribution area surrounds CWH's Service Territory in Fergus. See attachment 2.

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 3.

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 4.

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)

CWH proposes to build a short section of 44kV underground plant from the applicants existing pole line on the Beatty Line to the entrance to the new hospital. To accommodate a redundant backup feed, a section of underground 44kV circuit will be built from the west to the new hospital site. These extensions will be for the new hospital connection on the hospital land only.

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).

Individual Health Care Facility (Hospital) electrical service.

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.

Not applicable.

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 Hospital requires a redundant feed per Health Care Facility Regulations and as such will need to have a connection to an existing circuit owned by both Hydro One and an existing circuit owned by the applicant. Both existing circuits lie along the land the Hospital will sit on and are readily available to extend to the new connection. CWH and Hydro One agreed to the engineering design of the connection and the applicant's economic efficiencies will benefit the customer as determined through a comparison of costs by both distributors.

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)

Not applicable.

Location of the point of delivery and the point of connection

See attachment 4.

7.2.1 (b)

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

The point of connection lies along the applicants existing well-developed distribution system along the Beatty Line. See attachment 4.

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).

The fully allocated connection costs for CWH and HONI were reviewed jointly by both distributors to ensure an even comparison. The fully allocated connection costs for CWH were less than the equivalent costs for HONI.

7.2.1 (d)

The amount of any capital contribution required from the customer

The customer will be required to provide a capital contribution that will be based on the actual costs, load forecast, and CWH's economic evaluation.

7.2.1 (e)

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

There will be no stranded equipment or assets associated with the project.

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 proposed SAA is only for the purpose of servicing one new customer and will not affect the reliability of the infrastructure in the area 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

The proposed infrastructure is to provide a redundant electrical connection to one new customer only and not for the purpose of accommodating future growth potential. **7.2.1** (b)

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.

The proposed infrastructure will provide a cost effective connection to the one new customer (the Hospital) and will have no effect on the adjacent area or region to the new site.

7.3 IMPACTS ARISING FROM THE PROPOSED AMENDMENT

Description of Impacts

7.3.1

Identify any affected customers or landowners.

No customers or landowners will be affected by the underground expansion as the existing pole lines will remain situated in the same location.

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.

There will be no negative impact on service quality or reliability or rates to customers in the area due to this SAA application.

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.

This SAA application which relates to an individual customer, and the associated system upgrades, will have no impact on customers or distributors outside the subject area.

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.

Both distributors involved with this application will not be impacted in any negative way and will continue to service their respective customers, including the new Hospital which is a current customer of CWH, the applicant.

7.3.5

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

There will be no stranded assets or redundancies if the proposed SAA is granted.

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.

No transfer of assets are proposed for this project.

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 proposed new LTLTs as a result of this SAA. There will be a new retail point of supply as the Hydro One owned M7 will be the back up feeder to the new customer through the applicants revised service territory. The host distributor has an applicable Board approved rate.

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.

CWH originally initiated this SAA in 2014, when the Customer first approached CWH with a request for CWH to be their service provider for the new Hospital location which was in the service territory of HONI. Previously filed evidence demonstrates significant consultations and communications have taken place between CWH, the Customer, and HONI. In early 2017, the Customer was able to provide CWH and HONI with a more specific servicing request which was priced by both CWH and HONI. The pricing was reviewed in detail by CWH and HONI to ensure the proposals were comparable in scope and met the requirements of the Customer. The price comparison revealed that CWH was the more economical option and HONI agreed to consent to this application.

7.3.11

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

See attachment 5, HONI's consent letter supporting the SAA.

7.3.12

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

Not applicable.

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 6.

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.

CWH has provided all applicable information relevant to assist the Board in making a determination in this matter.

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.

CWH requests that the Board proceed with this application without a hearing.

(a) No person will be adversely affected if the Board approves this application.

(b) HONI has provided consent in support of this application.

7.8 CERTIFICATION AND ACKNOWLEDGMENT STATEMENT

I certify that the information contained in this application and in the documents provided are true and accurate.

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Wayne Dyce President/Secretary Centre Wellington Hydro Ltd.

Dated: October 2, 2017

Attachment 1 – Plan of Survey Subject to this SAA



Attachment 2 - Map of Borders of CWH's Service Area



Attachment 3 – Map of Land Subject to this SAA in relation to CWH's existing Borders of Service Area



Attachment 4 – Map of Land and Circuit Extensions Subject to this SAA

Hydro One existing M7 Line ends here

10 100. 0. 111

44 4. 1579

CWH proposed underground line will extend the M7 to the customer connection point and serve as the redundant feed.

The B



1

Perimeter of hospital property, general vicinity of building in middle (oval).

CWH proposed offer consists of extending the M3 undergound from existing circuit on Beatty Line to the Hospital connection point. CWH existing M3 line.



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Attachment 5 – Hydro One's Letter of Support for this SAA

Hydro One Networks Inc. 7th 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

September 27, 2017

Wayne Dyce Centre Wellington Hydro Ltd. 730 Gartshore St. P.O. Box 217 Fergus, ON N1M 2W8

Dear Mr. Dyce,

EB-2014-0221 - Centre Wellington Hydro Ltd Application for Licence Amendment

This is to confirm that Hydro One Networks Inc. ("Hydro One") supports your revised application to amend the Centre Wellington Hydro Ltd. ("CWH") Distribution Licence as proposed in CWH's revised service area amendment application. Hydro One understands that the intent of this revised CWH application is to no longer proceed with the original requested relief in EB-2014-0221 and to limit this SAA to strictly include the lands being used to serve the new proposed hospital site. The civic address of the connection is 361 Beatty Line N, Fergus, Ontario and is legally described as:

PLAN 61R – 11007, Part Lot 1, Part of Lots A,J,K and L, REG. Plan 178, in the Township of Centre Wellington

Hydro One supports CWH's request to proceed with this revised service area amendment without a hearing.

Sincerely,

Joanne Richardson

Attachment 6 – Customers Preference Letter Supporting the Applicant



October 2, 2017

Mr. Wayne Dyce President Centre Wellington Hydro Ltd. 730 Gartshore St. P.O. Box 217 Fergus, ON N1M 2W8

RE: Offer to Connect Hydro Service Groves Memorial Community Hospital Redevelopment Hospital Greenfield Project

Dear Mr. Dyce

Based on the Final offer to connect Groves Memorial Community Hospital at 361 Beatty Line North and with respect to the connection that includes all necessary expansion of the M3 and M7 feeder circuits to achieve the mandated redundant design, the Hospital would like to confirm its acceptance of Centre Wellington Hydro Ltd. being named the Hospital's primary hydro service provider.

The Hospital's review of the offer from Centre Wellington Hydro reflected a lower construction cost in the expansion of hydro utilities to the new Groves site but also demonstrated a more reliable and cost effective solution on an ongoing annual basis which would reduce the Hospital's operating dollars and put the money back into healthcare.

Sincerely,

Stephen Street President and CEO