

Hydro One Networks Inc.

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Joanne Richardson

Director – Major Projects and Partnerships
Regulatory Affairs

BY COURIER

October 18, 2017

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON
M4P 1E4

Dear Ms. Walli,

Service Area Amendment Application for Hydro One Networks Inc. to Connect a Generator Customer

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 Generator Customer whose proposed project is currently under development and located in the service territory of Greater Sudbury Hydro Inc.

An electronic copy of this has been filed through the Ontario Energy Board's Regulatory Electronic Submission System (RESS).

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

Service Area Amendment Application

Hydro One Networks Inc.

October 18, 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”) is making this service area amendment (“SAA”) application to the Ontario Energy Board (“the Board”) for the purpose of connecting a Generator Customer (“the generator”) whose proposed project is currently under development and is located in Greater Sudbury Hydro Inc. (“Greater Sudbury Hydro”) service territory as described in its Electricity Distribution Licence (ED-2002-0559).

The generator has received a FIT contract from the Independent Electricity System Operator (“IESO”) and has requested connection to the 44 kV distribution system. Greater Sudbury Hydro does not have that voltage in their service territory. As a result, Greater Sudbury Hydro cannot connect this customer without significant investment to establish a 44kv system. Hydro One’s 44 kV feeder out of Martindale TS goes through the City of Sudbury and is capable of supplying the generator. Approval of this application is being requested to allow Hydro One to perform a connection impact assessment (“CIA”) for this generation project and to provide this generator with an offer to connect.

Due to the time required to obtain the necessary approvals (including this application) and to complete the connection assessment process, Hydro One respectfully requests expedited processing of this application in order to allocate the generator the system capacity that the generator is planning to utilize. The generator has committed to a February 28, 2018 in-service date under its FIT Contract. In accordance with it’s capacity allocation process, Hydro One will not allocate system capacity to a generation project until a CIA has been completed. This is in accordance with 6.2.4.1 a of the Distribution System Code (“DSC”).

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:

Hydro One Networks Inc
Pasquale Catalano
Regulatory Analyst, Regulatory Affairs
Hydro One Networks Inc.
483 Bay Street, South Tower, 7th floor
Toronto, ON, M5G 2P5
Phone: 416-345-5405
Fax: 416-345-5866
E-mail: 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

The Incumbent Distributor:

Greater Sudbury Hydro Inc.
Frank Kallonen
President & CEO
500 Regent St.
P.O. Box 250
Sudbury, ON P3E 4P1
Phone: 705-675-7536
Fax:
Email address: regulatoryaffairs@gsuin.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

The Registered Owner/Developer or Customer:

Sudbury Community Solar Projects LP
Michal Porzuczek
119 Spadina Ave., Unit 602
Toronto, ON M5V 2L1
Phone: 416-304-9056
Cell: 647-963-5124
Email address: m.porzuczek@soventix.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.

The generator has received a FIT contract from the Independent Electricity System Operator (“IESO”). The generator has requested connection to the 44 kV distribution system. Greater Sudbury Hydro does

not have that voltage in their service territory. Greater Sudbury Hydro cannot connect this customer without significant investment to establish a 44kV system. Hydro One's 44 kV feeder out of Martindale TS goes through the City of Sudbury and Hydro One will be able to supply the generator. Greater Sudbury Hydro has been made aware of this application and has consented both, to its filing, and that the application be assessed without a hearing. The consent letter is provided as Attachment 2.

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 following generator currently located in Greater Sudbury Hydro's service territory is proposed to be served by Hydro One:

Project Name: SCI SU4
 Project Civic Address: Lot 7, Concession 5, City of Greater Sudbury, ON, P3E 4N1
 Project Location: PT LT 7 CON 5 DILL; PT LT 8 CON 5 DILL

(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.

Hydro One Networks and Greater Sudbury Hydro's Licence Amendments

Hydro One Networks Inc. – ED-2003-0043

APPENDIX - TAB 4

| | |
|--|--|
| Name of Municipality: | City of Greater Sudbury |
| Formerly Known As: | Region of Sudbury, City of Sudbury, City of Valley East, Town of Capreol, Town of Nickel Centre, Town of Onaping Falls, Town of Rayside-Balfou, Town of Walden, at December 31, 2000. |
| Area Not Served By Networks: | The area served by Greater Sudbury Hydro Inc. described as the former City of Sudbury, the former townsite of the former Town of Capreol, and the former Town of Coniston (part of former Town of Nickel Centre) as more particularly set out in Licence No. ED-2002-0559. |
| Networks assets within area not served by Networks: | Yes |

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

→ *No change*

Greater Sudbury Hydro Inc. – ED-2002-0559

SCHEDULE 1 DEFINITION OF DISTRIBUTION SERVICE AREA

1. The City of Sudbury as at November 27, 1984, now in the City of Greater Sudbury:
- Excluding the customers located at the following addresses:
v. PT LT 7 CON 5 DILL; PT LT 8 CON 5 DILL, City of Greater Sudbury, P3E 4N1

→ *Upon approval of this application, GSHI's licence will be amended as indicated above.*

7.1.4 Provide maps/diagrams of the area that is the subject of the SAA application

| | | |
|------------------|---|-------------------------------|
| 7.1.4 (a) | <i>Borders of the applicant's service area</i> | See Attachment 1 - Map |
| 7.1.4 (b) | <i>Borders of the incumbent distributor's service area</i> | |
| 7.1.4 (c) | <i>Borders of any alternate distributor's service area</i> | |
| 7.1.4 (d) | <i>Territory surrounding the area for which the applicant is making SAA application</i> | See Attachment 1 - Map |
| 7.1.4 (e) | <i>Geographical and geophysical features of the area including, rivers and lakes, property borders, roads, and major public facilities</i> | |
| 7.1.4 (f) | <i>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).</i> | |

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).

If connected, the generator will be under the Hydro One Distributed Generation (Dgen) rate class. The point of connection ("POC") is at an existing Hydro One owned pole on the west side of Estaire Road. The point of common coupling ("PCC") is at the property boundary. See section 7.2.1(b) for further details.

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.

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 enable the connection of the generation project to Hydro One's 44 kV feeder. The generation proponent, who proposes to locate at a site in Sudbury, would normally become a customer of Greater Sudbury Hydro, however that utility does not have a 44 kV feeder and the proponent has requested connection to Hydro One's 44 kV feeder.

The use of Hydro One's existing infrastructure allows Hydro One to serve the generator in a more economically and operationally efficient way. This SAA avoids considerable Greater Sudbury Hydro capital expenditure that would be required in order to serve the customer.

Hydro One makes this application with the support of Greater Sudbury Hydro and the generator. (See Attachment 2 – Letters)

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

- Please see Section 7.1.4.

7.2.1 (b)

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

The generator will require 0.365 km connection tap directly from Hydro One's existing Martindale TS M5 feeder at the POC.

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).*

Hydro One and the incumbent distributor, GSHI, have jointly agreed that Hydro One is more economically and technically efficient to serve the customer. Hydro One provides that it anticipates that the total cost will be for connection assets only. According to the DSC, this cost would be entirely recovered from the generator, who will be required to sign a Connection Cost Agreement (“CCA”).

7.2.1 (d)

The amount of any capital contribution required from the customer

Please see Section 7.2.1 (c)

7.2.1 (e)

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

None

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

Not Applicable

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

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.

Please see Section 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 SAA will allow Hydro One to complete a CIA and assess any potential impacts to the customer. Without approval of this SAA, the customer will not be able to connect to the Hydro One 44kv distribution system and will not be able to meet the February 28, 2018 in-service date under it's FIT contract.

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.

Upon the Board's approval of this SAA, Hydro One will initiate a CIA which will study the impact of the proposed project's connection on the Hydro One distribution system and the supply station Martindale TS M5 feeder.

At this time, Hydro One anticipates that neither expansion nor REI costs will be incurred as a part of this connection. As all connection costs will be borne by the generator, Hydro One ratepayers will not bear any rate impacts as a result of this connection.

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.

Please refer to Sections 7.0 and 7.1.3

7.3.5

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

No assets will be stranded as a result of this SAA.

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.

7.3.7

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

Please see Section 7.1.1 (c)

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.

Not Applicable

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.

Greater Sudbury Hydro and the customer SCI SU4 are aware of the connection issues and support Hydro One proceeding with this SAA. (See Attachment 2 – Letters)

7.3.11

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

Please see Attachment 2 – Letters

7.3.12

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

Please see Attachment 2 – Letters

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.

Please see Attachment 2 – Letters

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.

Hydro One requests that the application be disposed of without a hearing.

(a,b) The impact of the proposed SAA is limited to Greater Sudbury Hydro, Hydro One and the generator. Greater Sudbury Hydro and the generator support Hydro One proceeding with this SAA application without a hearing (Please see Attachment 2 – Letters).

ORIGINAL SIGNED BY JOANNE RICHARDSON

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

OCTOBER 18, 2017

Dated: _____

7.8 CERTIFICATION AND ACKNOWLEDGMENT STATEMENT

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

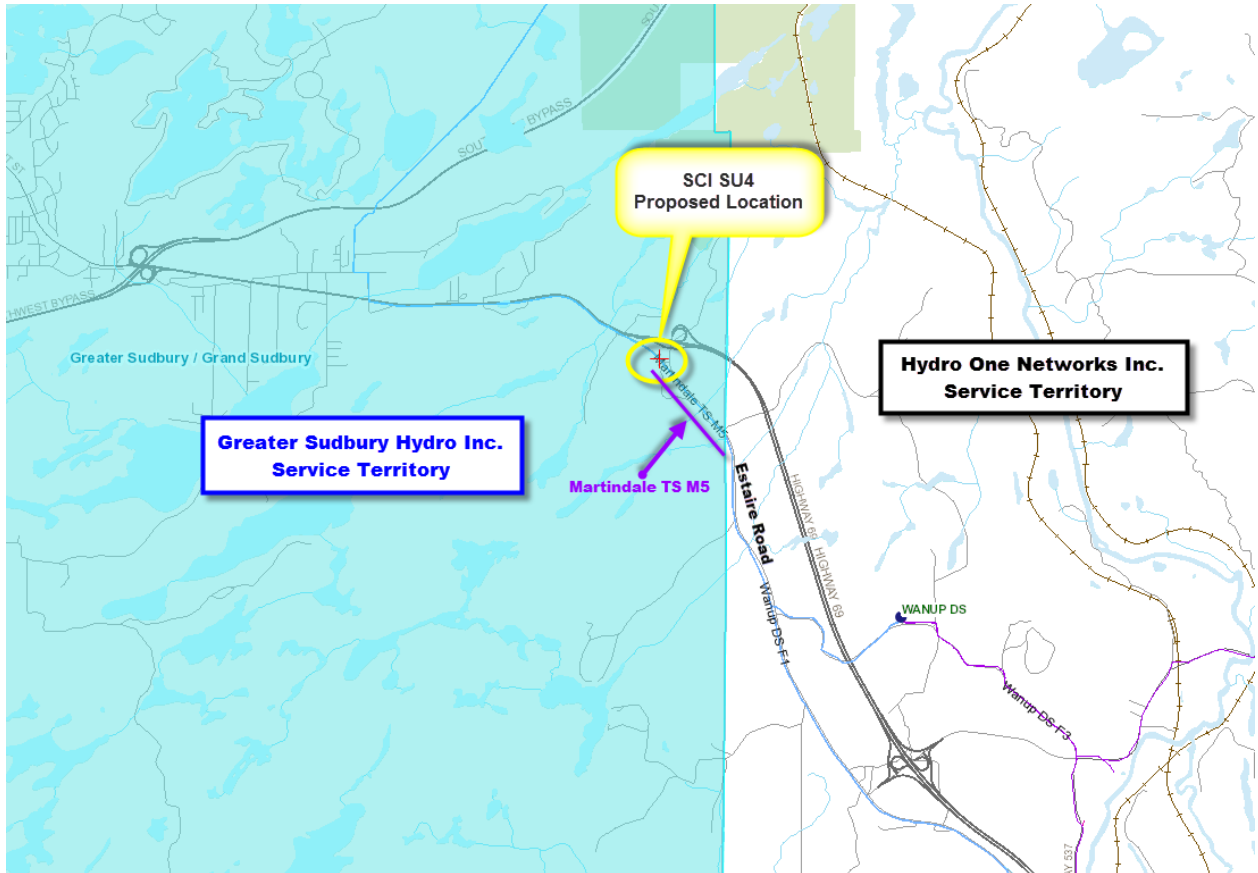
ORIGINAL SIGNED BY JOANNE RICHARDSON

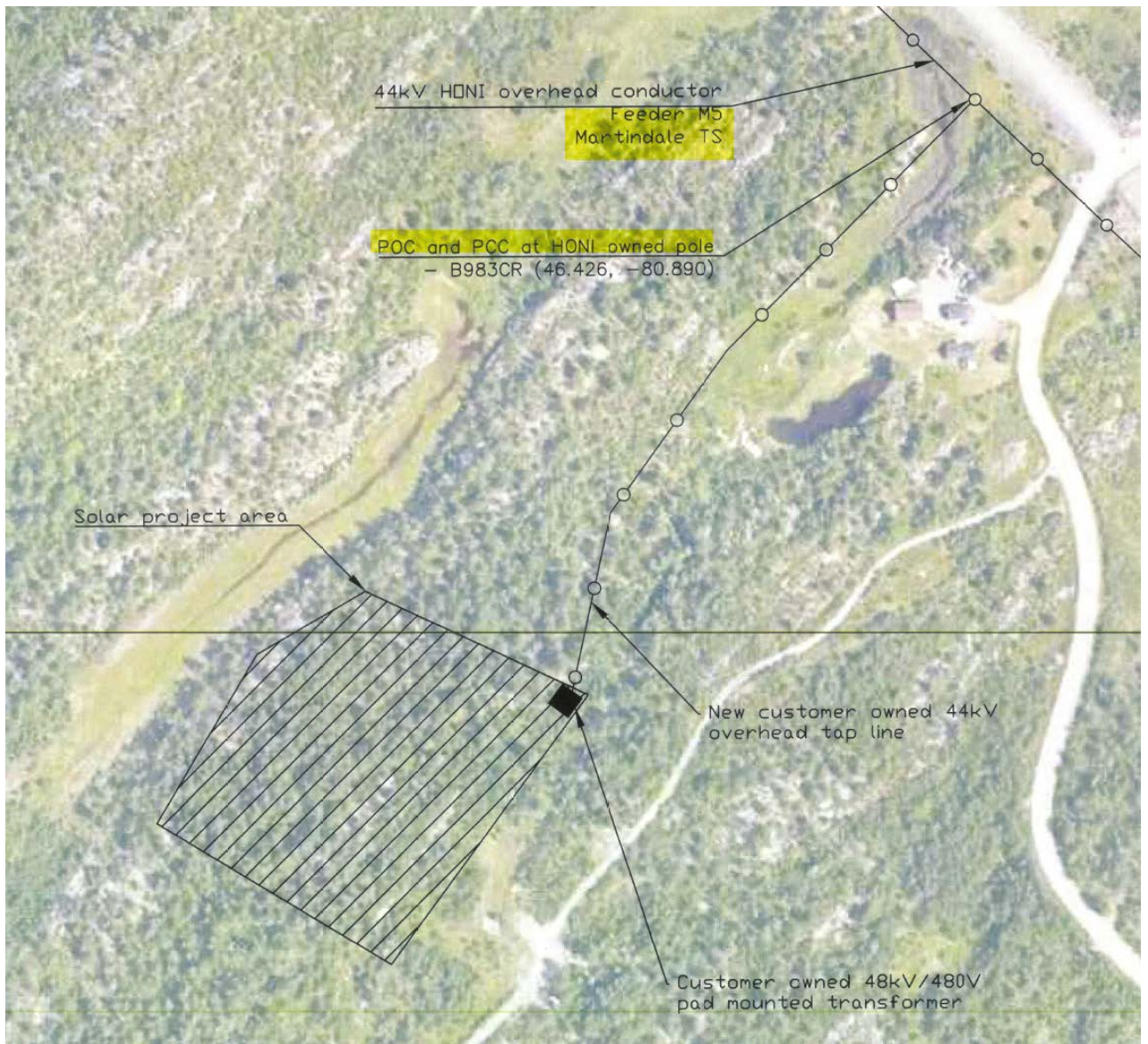
**Joanne Richardson,
Director – Major Projects and Partnerships
Hydro One Networks Inc.**

OCTOBER 18, 2017

Dated: _____

ATTACHMENT 1 – MAPS





ATTACHMENT 2 - LETTERS



500 Regent Street t 705.675.7536
P.O. Box 250/CP 250 f 705.671.1413
Sudbury ON P3E 4P1 w www.sudburyhydro.com



October 18, 2017

Mr Pasquale Catalano
Hydro One Networks Inc.
483 Bay Street, South Tower, 7th floor
Toronto, ON, M5G 2P5

RE: Hydro One Network Inc's Service Area Amendment – SCI SU4 FIT Project

Dear Mr Catalano,

This is to confirm that Greater Sudbury Hydro Inc consents to Hydro One Networks proposed service area amendment application to service the SCI SU4 FIT Project located at Lot 7, Concession 5, City of Greater Sudbury, ON, P3E 4N1. Greater Sudbury Hydro Inc also supports Hydro One to proceed with this service area amendment application without an Ontario Energy Board hearing.

Should you require anything further, please feel free to contact Tiija Luttrell, Supervisor – Regulatory Affairs at 705-675-0514.

Sincerely,

ORIGINAL SIGNED BY FRANK KALLONEN

Frank Kallonen
President & CEO
Greater Sudbury Hydro Inc

Sudbury Community Solar Projects LP
119 Spadina Ave. Suite 602
Toronto, ON
M5V 2L1

September 5, 2017

Dear Mr. Ali,

Sudbury Community Solar Projects LP would like to have Hydro One proceed with the service area amendment (SAA) in the Greater Sudbury Hydro territory for HONI Project ID: 35,340 connecting to the Martindale TS.

Sincerely, 

ORIGINAL SIGNED BY MICHAEL KENDON

Director
Michael Kendon