



P.O. Box 397, Stratford, Ontario N5A 6T5

187 Erie Street, Stratford
Telephone: 519-271-4700
Fax: 519-271-7204
www.festivalhydro.com

BY RESS E-FILING, EMAIL AND COURIER

June 11, 2018

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

Dear Ms. Walli:

Re: Service Area Amendment between Festival Hydro Inc. and Hydro One Networks Inc.

Festival Hydro Inc. (Festival) respectfully submits the enclosed documentation in support of a minor Service Area Amendment. Given that there will be no adverse impacts on existing customers (as this is a new subdivision), and that the incumbent distributor, Hydro One Networks Inc. (Hydro One) is in support of this amendment, we ask that the Board dispose of this proceeding without a hearing in accordance to the provisions in Section 21 (4) (b) in the *Ontario Energy Board Act*.

The section of land in question is presently included in Hydro One's defined service area, but is vacant, unserviced land abutting property serviced by Festival.

Festival proposes to amend Schedule 1 of Electricity Distribution Licence ED-2002-0513 Festival Hydro Inc. to add the following:

17. PART LOT 6 CON 1 (GEOGRAPHIC TOWNSHIP OF DOWNIE),
IN THE CITY OF STRATFORD.

Upon approval of this application, Hydro One's Distribution Licence would not need to be amended.

Contact information for all parties is included in the Application, found at Section 2. General.

Sincerely,
FESTIVAL HYDRO INC.

A handwritten signature in blue ink, appearing to read 'J. M.', with a long horizontal flourish extending to the right.

Jeff Graham, P.Eng.
Vice President Engineering and Operations

Enclosures

Cc: Angela Yorgiadis (Hydro One)

Service Area Amendment (SAA) Application

FESTIVAL HYDRO INC.

Distribution Licence ED-2002-0513

Submitted June 11, 2018

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APPLICATION

1. INTRODUCTION

Festival Hydro Inc. ("Festival") is making an Application to the Ontario Energy Board ("OEB") for the purpose of amending the licenced service area of Festival as described in Schedule 1 of its distribution Licence ED-2002-0513 to include the development known as **576 O'LOANE AVENUE**, with the legal description **PART LOT 6 CON 1 (GEOGRAPHIC TOWNSHIP OF DOWNIE), IN THE CITY OF STRATFORD** ("the Subject Area"), owned by **Valleyview Heights (St Jacobs)**. This property is immediately adjacent to Festival's existing service area, which includes a similar development which was the subject of a previous Service Area Amendment (EB-2009-0352) which was granted to Festival by Order of the OEB in the decision dated December 1, 2009.

The Subject Area is currently within the service territory of Hydro One Networks Inc. (Hydro One), and adjacent to the Festival service area. The Subject Area is owned by **Valleyview Heights (St Jacobs)** ("Developer"), located in the City of Stratford, and is designated for residential development.

The Subject Area is described as **576 O'LOANE AVENUE**, in the City of Stratford.

For the reasons set out herein, Festival respectfully submits that it is in the public interest to amend Schedule 1 of its electricity distribution license to add line 17:

17. PART LOT 6 CON 1 (GEOGRAPHIC TOWNSHIP OF DOWNIE), IN THE CITY OF STRATFORD.

In considering this application, Festival understands that the Board will be guided by the principles articulated in the Board's Filing Requirements for Service Area Amendments, Chapter 7 of the Filing Requirements for Transmission and Distribution Application and the Board's Decision with Reasons in the RP-2003-0044 combined service area amendments proceeding (the "Combined Proceeding"). Festival respectfully submits that this application satisfies those requirements.

Via a letter of support (included as Schedule F), the Developer has indicated that it prefers Festival as the distributor for the Subject Area.

Hydro One has agreed to consent to this SAA application (consent letter included as Schedule E) and the required expansion of Festival's service territory to service the Subject Area. Given the manner in which Schedule 1 of Hydro One's license is presented, it would not need to be amended if this SAA application is approved.

Festival requests that the Board consider this application without a hearing.

2. GENERAL

(a) Contact Information:

The contact information for all affected parties is listed below.

Applicant:

Ysni Semsedini, CEO
Festival Hydro Inc.
187 Erie Street, PO Box 397
Stratford, ON N5A 6T5
Telephone: 519-271-4700 Fax: 519-271-7204
Email address: semsediniy@festivalhydro.com

The Incumbent Distributor:

Pasquale Catalano,
Advisor, Regulatory Affairs
Hydro One Networks Inc.
483 Bay Street, South Tower, 8th floor
Toronto, Ontario M5G 2P5
Telephone: 416-345-5405 Fax: 416-345-5866
Email address: regulatory@HydroOne.com

(There are no other alternate distributors.)

The Registered Owner/Developer:

John Koke, P.Eng.
Valleyview Heights (St Jacobs) Ltd.
169 Lexington Court, Unit B-1
Waterloo, ON N2J 4R3
416-315-0359

(b) Reasons for Amendment:

Festival submits that this application should be granted because the incumbent distributor, Hydro One, has consented to this application. Moreover, Festival submits that the proposed SAA is in the public interest as defined in the Combined Proceeding (RP-2003-0044), for the following reasons:

1. The Developer's preference is that Festival service the Subject Area.
2. The proposed SAA is consistent with the objective of a rational and efficient service area alignment based on both economic and engineering efficiency.
3. The Subject Area is the continuation of the residential subdivision immediately to the south, that was started in 2009, which was the subject matter of Decision and Order EB-2009-0352. The existing electrical infrastructure owned by Festival can accommodate the anticipated load within the proposed addition of ninety (90) detached residential homes, fifty-two (52) semi-detached / townhomes, and two (2) multiple residential units.
4. Festival has infrastructure that lies along the Subject Area that can provide the required electrical service with minimal investment. The incumbent distributor (Hydro One) has infrastructure in relatively close proximity (approximately 350m) to the property. Following discussions between the two distributors, the parties concluded that Hydro One's costs to service the property are greater than Festival and Hydro One agreed to consent to this SAA application.
5. Festival's connection proposal for the Subject Area is better or comparable to Hydro One's in terms of system planning, safety and service reliability.
6. The proposed SAA will not result in stranded or duplicated assets.
7. The incorporation of the Subject Area Lands into Festival's service area will be seamless. The Subject Area Lands will be adjacent to an existing developed subdivision in Festival's service territory.

There would be no load transfers created or eliminated as a result of the proposed SAA.

(c) Proposed Service Area - Description:

The Subject Area is generally referred to as 576 O'LOANE AVENUE, IN THE CITY OF STRATFORD and consists of ninety (90) detached residential homes, fifty-two (52) semi-detached / townhomes, and two (2) multiple residential units on land that is currently vacant.

(d) Proposed Service Area – Maps and Diagrams:

The following maps, diagrams and pictures are attached as schedules.

Schedule A – Draft Plan of Subject Area

Schedule B – Festival Existing and Proposed Service Boundary

Schedule C – Existing Infrastructure – Festival and Hydro One

Schedule D – Festival Proposed Infrastructure

Collectively, these maps identify the Subject Area, the existing borders of Festival and Hydro One, the area around the Subject Area, and the existing and proposed infrastructure supplying the Subject Area. Some details (such as the exact quantity of lots and locations of lot lines) are subject to change as the development proceeds.

(e) Distribution Infrastructure – Description of Proposed Physical Connection:

The Subject Area is an extension of the first phase of a residential subdivision, consisting of consists of ninety (90) detached residential homes, fifty-two (52) semi-detached / townhomes, and two (2) multiple residential units. When completed and fully occupied, the Subject Area will add approximately 500 kW of load to the Festival system. The Developer has requested a connection in early 2018.

The Subject Area will be supplied by connecting underground circuits to the existing overhead infrastructure on O'Loane Avenue, owned by Festival. The existing and proposed infrastructure are shown in Schedule C and D.

Distribution Infrastructure – Future Expansions in Adjacent Lands:

The distribution infrastructure that will be installed to service the Subject Area, will be designed to accommodate a future expansion of this subdivision to the

west, via Street E (see Site Plan in Schedule A). There are currently no plans by the Developer or the City of Stratford to develop these adjacent lands. When the area is planned to be developed, Festival anticipates making an additional Service Area Amendment Application to service the expansion if it is in the public interest, and has considered these potential developments in planning the supply for the Subject Area.

3. EFFICIENT RATIONALIZATION OF THE DISTRIBUTION SYSTEM

Festival submits that the proposed SAA will result in a rational and efficient service area, and optimize the use of existing distribution assets.

(a) Location of the Points of Delivery and Connection:

Schedule C shows how the existing infrastructure on O’Loane Avenue (owned by Festival) will be used to supply the Subject Area. The existing infrastructure has ample capacity to supply the new load.

Festival understands that Hydro One would supply this development by extending a new circuit from Huron Street, approximately 350m to the north.

(b) Proximity to Distribution System:

Festival has existing assets immediately adjacent to and alongside the Subject Area. The nearest Hydro One assets are located on Huron Street, approximately 350m north of the Subject Area.

(c) Fully Allocated Connection Costs:

The connection costs for Festival and Hydro One were reviewed jointly by both distributors to ensure an even comparison. The connection costs for Festival were less than the equivalent costs for Hydro One.

(d) Stranded Equipment Costs:

There will be no stranded equipment due to the proposed SAA.

(e) Infrastructure Reliability:

The proposed SAA will not have any adverse effects on reliability in the Subject Area or adjacent areas. There will be an incremental expansion of Festival’s

distribution system (underground conductors and transformers within the Subject Area).

(f) Cost-Effectiveness of Future Expansions:

The infrastructure proposed by Festival will adequately supply the load expected in the Subject Area, as well as the potential future development to the west. Festival anticipates making additional Service Area Amendment Applications for these developments if it is in the public interest, and has considered these potential developments in planning the supply for the Subject Area.

(g) Cost-Effectiveness of Improvements and Upgrades:

The infrastructure proposed by Festival will support cost-effective future improvements and upgrades in the area.

4. IMPACTS ARISING FROM THE PROPOSED AMENDMENT

(a) Description of Impacts – Affected Customers and Landowners:

The Subject Area is vacant land owned by the Developer, and is a continuation of an existing residential area, all of which Festival is the distributor. The Developer supports the proposed amendment. There are no other customers affected.

(b) Description of Impacts – Customer Impacts Within Subject Area:

Approval of this SAA application will not result in any negative impacts on cost, rates, service quality, and reliability. The additional customers will have a marginally favourable impact on costs and rates due to the additional revenue.

(c) Description of Impacts – Customer Impacts Outside Subject Area:

Approval of this SAA application will not result in any negative impacts on cost, rates, service quality, and reliability. The additional customers will have a marginally favourable impact on costs and rates due to the additional revenue.

(d) Description of Impacts – Distributor Impacts:

Approval of this SAA application is not expected to have any impact on Hydro One. The additional revenue from the new customers will have a favourable

impact on costs and rates for Festival, without any adverse impacts to reliability or customer service.

(e) Description of Impacts – Stranded and Redundant Assets:

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

(f) Description of Impacts – Transferred Assets:

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

(g) Description of Impacts – Transferred Customers:

No customers will be transferred as a result of this SAA.

(h) Description of Impacts – Eliminated Load Transfers or Retail Points:

No existing load transfers or retail points of supply will be eliminated by this SAA.

(i) Description of Impacts – New Load Transfers or Retail Points:

No new load transfers or retail points of supply will be created by this SAA.

(j) Evidence of Consideration and Mitigation of Impacts – Written Confirmation of Full Disclosure:

Festival confirms that all affected parties have been provided with specific and factual information about the proposed SAA. Festival and Hydro One have reviewed this SAA.

(k) Evidence of Consideration and Mitigation of Impacts – Consent of Incumbent Distributor:

Hydro One has consented to this SAA, and a copy of the letter of consent is attached as Schedule E.

(l) Evidence of Consideration and Mitigation of Impacts – Consent of Developer:

The Developer has provided their consent via a letter of support attached as Schedule F.

(m) Evidence of Consideration and Mitigation of Impacts – Mitigation Efforts Related to Customer and Asset Transfer:

No customers or assets will be transferred as a result of this SAA.

5. CUSTOMER PREFERENCE

The Developer has indicated their preference to have Festival supply this Development, as noted in their letter of support attached as Schedule F.

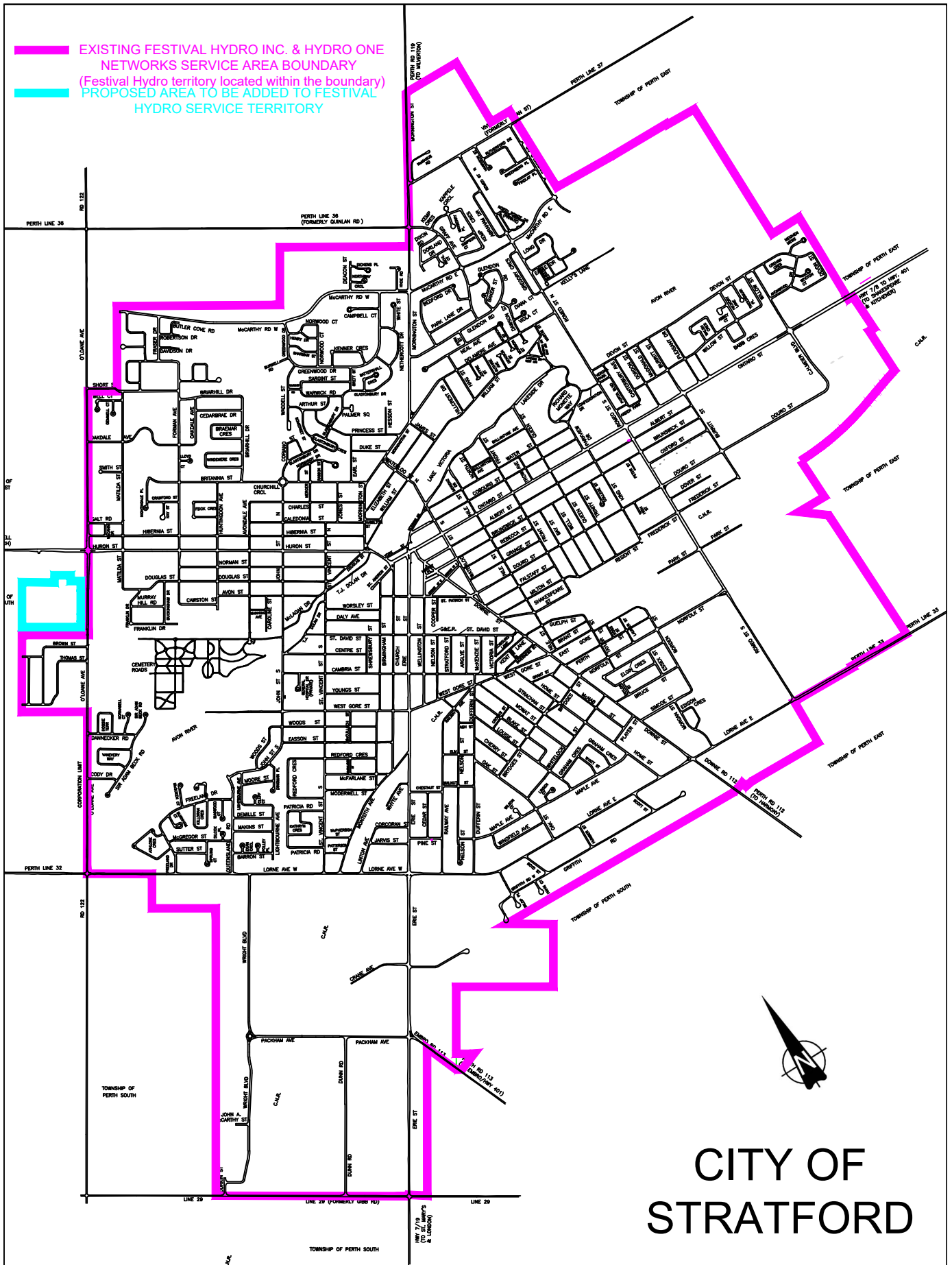
All of which is respectfully submitted.

SCHEDULE A
DRAFT PLAN OF SUBJECT AREA

SCHEDULE B

FESTIVAL EXISTING AND PROPOSED SERVICE BOUNDARY

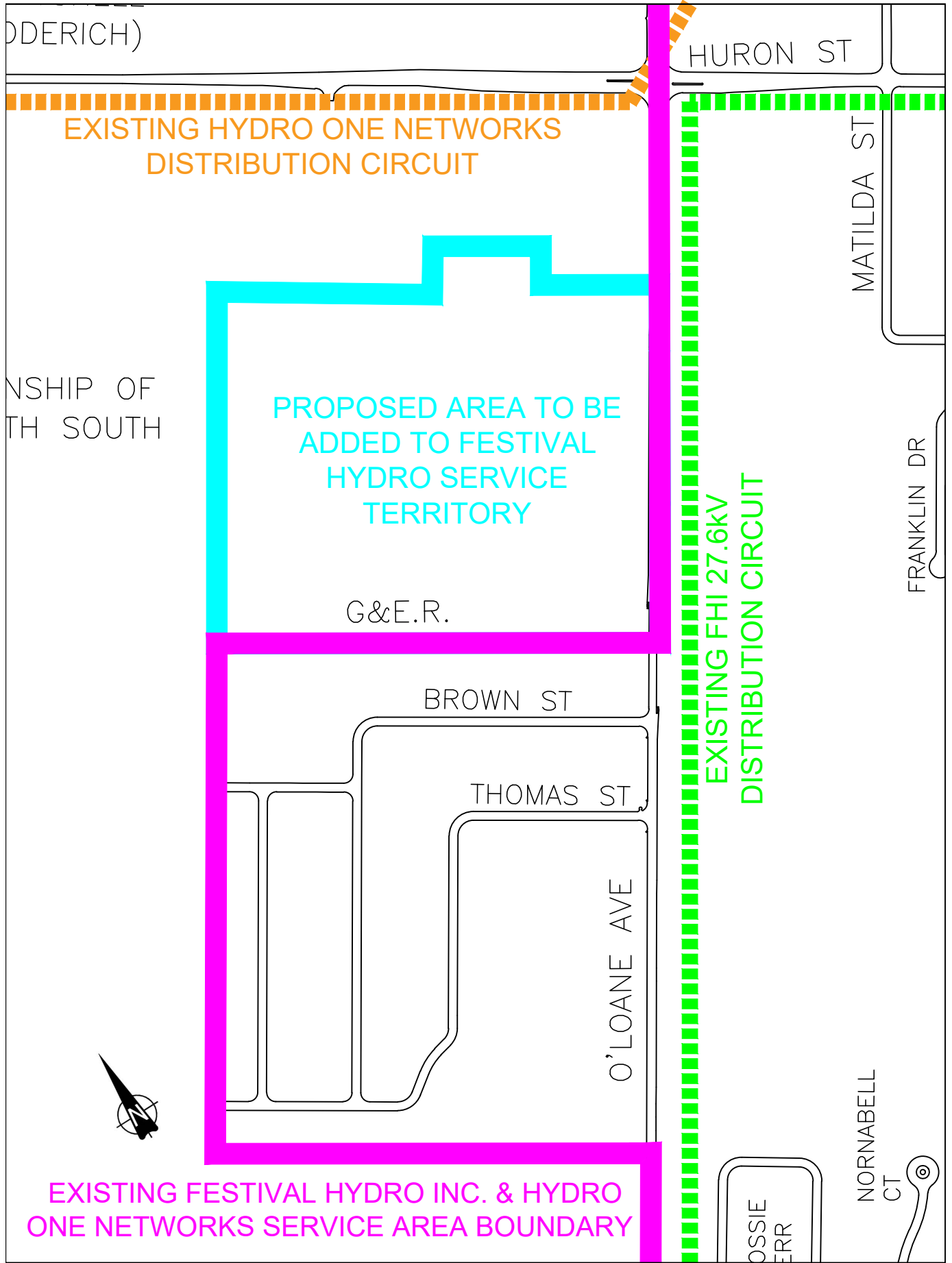
- EXISTING FESTIVAL HYDRO INC. & HYDRO ONE NETWORKS SERVICE AREA BOUNDARY
- (Festival Hydro territory located within the boundary)
- PROPOSED AREA TO BE ADDED TO FESTIVAL HYDRO SERVICE TERRITORY



CITY OF
STRATFORD

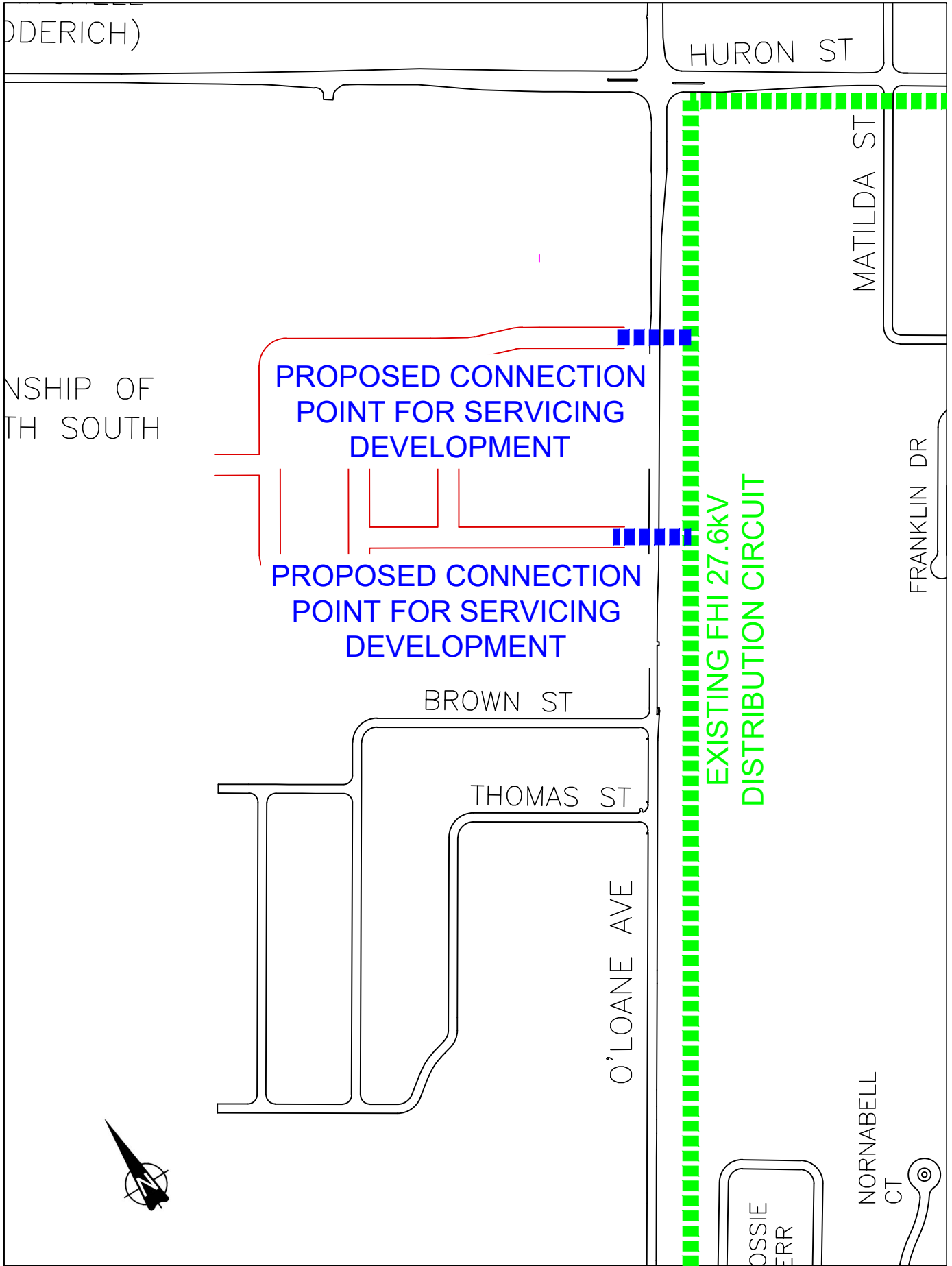
SCHEDULE C

**EXISTING INFRASTRUCTURE
FESTIVAL AND HYDRO ONE**



SCHEDULE D

FESTIVAL PROPOSED INFRASTRUCTURE



SCHEDULE E

HYDRO ONE CONSENT LETTER

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

June 6, 2018

Ysni Semsedini, CEO
Festival Hydro Inc.
187 Erie Street, PO Box 397
Stratford, ON N5A 6T5

Dear Mr. Semsedini,

Festival Hydro - Service Area Amendment Application

This is to confirm that Hydro One Networks Inc. ("Hydro One") supports your application to amend the Festival Hydro Distribution Licence as proposed in Festival Hydro's service area amendment application. The intent of the application is to amend Festival Hydro's distribution licence to include the lands described as: 576 O'Loane Avenue, in the City of Stratford.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Joanne Richardson", with a stylized flourish at the end.

Joanne Richardson

SCHEDULE F

DEVELOPER SUPPORT LETTER

VALLEYVIEW HEIGHTS (ST. JACOBS) LTD.
169 Lexington Court, Unit B-1, Waterloo, Ontario N2J 4R3

Jan 30, 2018

Festival Hydro Inc.
187 Erie Street, PO Box 397
Stratford, ON N5A 6T5
Attention: Mr. Jeff Graham, P.Eng., Vice President Engineering & Operations

RE: Service Area Amendment – 576 O’Loane Avenue, Stratford

Dear Jeff:

As previously discussed, Valleyview Heights (St Jacobs) would like to confirm our preference that Festival Hydro be the local distribution company (LDC) that supplies this development. We understand that Festival Hydro will need to make an application to the Ontario Energy Board to amend the Service Area description to include this development within Festival Hydro’s Service Area.

The legal description of the development is “Part Lot 6 Con 1 (Geographic Township of Downie), in the City of Stratford” and municipally known as 576 O’Loane Avenue.

Please consider this letter as our intent to have Festival Hydro as our service provider, and this letter may be included with your application to the OEB and shared with Hydro One.

If you require anything related to this development, please contact the undersigned.



John Koke, P.Eng.

416-315-0359