

IN THE MATTER OF the Ontario Energy Board Act, 1998, S.O. 1998, c.15, Schedule B;

AND IN THE MATTER OF an application by Entegrus Powerlines Inc. for an order to amend its Electricity Distribution License (ED-2002-0563) pursuant to section 74 of the Ontario Energy Board Act, 1998.

Service Area Amendment Application

ENTEGRUS POWERLINES INC

Submitted: June 11, 2018

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EXECUTIVE SUMMARY

The St. Clair College Thames Campus (the "College") is located in the Municipality of Chatham-Kent in the community of Chatham. The College is currently in the process of constructing a new National Powerline Training Facility (the "facility") on an existing piece of property abutting the campus and owned by the College. The College seeks three phase commercial service for the facility.

The Development is currently referred to as St Clair College Pole Training Yard and the property is described as Part 12 of Lot 19, Front Concession, Township of Dover which was registered and deposited as Plan 24R1011 (dated March 11, 1975) at the Registry Division of Kent. The land is situated on the west side of the city of Chatham, within the municipal boundary of Chatham Kent, known locally as 23508 Bear Line Rd, Chatham-Kent, Ontario.

The property falls partially within Hydro One Networks Inc.'s ("HONI"'s) service territory and partially within Entegrus Powerlines Inc.'s (the "Applicant's") service territory. However, the portion of the property where the facility itself will be physically located, and therefore where the electrical connection will be made is situated within HONI's service territory.

For the reasons set out herein, Entegrus respectfully submits that it is the public interest to amend schedule 1, The Entegrus Powerline Inc. Rate Zone licence to add line 17.

17. Premise specific municipal address 23508 Bear Line Rd., Chatham ON, N7M 5J8

The Applicant owns and operates three phase electrical infrastructure in the municipal road right of way along Bear Line Road, which lies along and abuts the most westerly edge of the property. The Applicant's three phase electrical infrastructure is located just metres away from the connection point. Although HONI currently provides single phase power service to a residential house on the southerly portion of the connection point, the nearest three phase infrastructure owned HONI is approximately 2.8 km from the property looking to be serviced.

The property has two 911 addresses associated with the lot (23508 Bear Line Road and 23536 Bear Line Road). The service that is being addressed by this SAA is 23508 Bear Line Road. The key map below illustrates both the proximity of HONI's infrastructure as well as EPI's infrastructure in the area of the requested service. This Service Area Amendment ("SAA") is not opposed by HONI, as the incumbent distributor.



The Applicant has filed this SAA application because it is in the public interest for it to service this building having regard to economic efficiency, consumer protection and the maintenance of a financially viable electricity industry. Specifically, EPI submits that it is the appropriate electricity distributor to service this building for the following reasons:

- 1. EPI has an existing 27.6 kV well-developed three phase primary voltage line at the location.
- 2. It is more economically efficient for EPI to supply the requested service than HONI. Consequently, granting the requested SAA will resulting in a more rational and efficient utilization of distribution infrastructure to meet the customer's needs.

- 3. It is the wish of the College that EPI service the facility.
- 4. HONI, as the incumbent distributor, does not oppose the proposed SAA
- 5. Entegrus's excellent efficiency performance and low distribution rates.
- 6. Entegrus's excellent reliability performance.
- 7. Entegrus's excellent customer service ratings.
- 8. Entegrus's service centre is 5.1 km from the Development and staff can respond to problems very quickly; in less than 15 minutes during working hours and in 20-30 minutes after hours.
- 9. This is property is adjacent to the rest of the St. Clair College campus in Chatham, which is already serviced by EPI

Note: The organization, content, subsection numbering convention, and subsection titles herein are selected for consistency with Ontario Energy Board publication EB-2006-0327, *Filing Requirements for Service Area Amendment Applications*, dated March 12, 2007.

7 **INTRODUCTION**

The Applicant is making an application to the Ontario Energy Board for the purpose of amending its service area (under Electricity Distribution License ED-2002-0563) to permit the connection of a three-phase commercial service at 23508 Bear Line Rd, Chatham-Kent, Ontario to the Applicant's distribution system. The building being services is located in the licensed service territory of HONI and is contiguous to the licensed service area of EPI in the Municipality of Chatham-Kent, and lies along EPI distribution system.

St. Clair College ("the College"), is the legal owner and developer of the property, and began construction of the new facility in late 2017. The commercial service being requested is a 3 phase 120/208V 400A service.

It is the request of the College that the Applicant service this facility. See Exhibit 6.

As per section 74 (1) of the Act, the Applicant wishes to amend the distributor's license where the amendment is in the public's best interest by utilizing existing distribution systems. The Applicant has an existing 27.6 kV well-developed distribution system that lies along Bear Line Road across the road from the entrance to the College's new facility.

7.1 Basic Facts

General

7.1.1 Contact Information

a) The Applicant for this SAA is Entegrus Powerlines Inc. The prime contact is:

Jim Hogan President & CEO 320 Queen Street, Chatham, ON. N7M 5K2 Mailing Address: P.O. Box 70 320 Queen St. Chatham, ON. N7M 5K2 Tel. 519-352-6300 ext. 277 Fax 519-351-4059 Email jim.hogan@entegrus.com

b) The Incumbent distributor is Hydro One Networks Inc. The prime contact is:

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

c) The building site is currently undeveloped and as such there are no affected customers. The only affected party is St. Clair College. The prime contact is:

Randy Primeau Manager, Construction and Engineering Services St. Clair College Tel. 519-972-2727 Ext 4319 Rpimeau01@stclaircollege.ca www.stclaircollege.ca

- d) There are no alternate distributors other than HONI and Entegrus.
- e) The Applicant's legal representative is:

John A.D. Vellone, LLB, MBA, BASc (Electrical Engineering) Borden Ladner Gervais LLP Bay Adelaide Centre, East Tower, 22 Adelaide St. W., Toronto, ON M5H 4E3 Tel: 416-367-6730 Email: JVellone@blg.com

The College's agent acting as its electrical designer is:

Patti DeLange, Associate Senior Electrical Designer Vanderwesten & Rutherford 7242 Colonel Talbot Road London, Ontario P.O. Box 1149 Lambeth Station Tel: 519-652-5047 ext 230 Pattid@verng.ca

7.1.2 Reason for Amendment

The proposed building is adjacent to the Applicant's service territory and lies along the existing Applicant's distribution system and would only require a connection to Entegrus' existing primary line (approximately 52m) to serve the facility. In comparison, to the incumbent distributor would require the construction of approximately 2.8 km of 3 phase overhead distribution line. The Applicant submits it is more economically efficient to connect the customer to its existing distribution system, as it represents the lowest cost to connect this facility. There are no load transfers that would be eliminated because of this SAA.

Proposed Service Area

7.1.3 Description of Proposed Service Area

The Development is currently referred to as St Clair College Pole Training Yard and the property is described as Part 12 of Lot 19, Front Concession, Township of Dover which was registered and deposited as Plan 24R1011 (dated March 11, 1975) at the Registry Division of Kent. The land is situated on the west side of the city of Chatham, within the municipal boundary of Chatham Kent, known locally as 23508 Bear Line Rd, Chatham-Kent, Ontario and is partially within Hydro One's service territory. Entegrus is only providing electrical service to this customer and the property remains within Hydro One's service territory.

Entegrus respectfully submits that it is the public interest to amend schedule 1, The Entegrus Powerline Inc. Rate Zone licence to add line 17.

17. Premise specific municipal address 23508 Bear Line Rd., Chatham ON, N7M 5J8

7.1.4 Maps and Diagrams

The following maps, diagrams and pictures are attached as Exhibits:

- Exhibit 1 Map Entegrus Proposed Connection
- Exhibit 2 Map Relevant Borders of Applicant and Incumbent Service area
- Exhibit 3 Map Geographical Features surrounding the Area

7.1.5 Exhibit 4 - Map - Existing Facilities Supplying the Area Description of Proposed Physical Connection

The College will construct a duct bank to the nearest Entegrus pole on the east side of Bear Line. This road crossing will be directionally bored and conduit will be installed for the service. A three phase 120/208V 400 amp service will be provided from a three phase transformer bank located on an existing 27.6 kV distribution line pole. Future expansions in adjacent lands is not anticipated at this time.

7.1.6 Description of Other Plans

The Applicant does not currently have plans for similar expansions in lands adjacent to the area that is subject of this Application.

7.2 Efficient Rationalization of the Distribution System

7.2.1 Economic and Engineering Efficiency

- a) Location of the point of delivery and the point of connection:
 - Applicant: Source of supply an existing 27.6 kV feeder from Kent TS that is located adjacent to the proposed point of connection on Bear Line. A secondary service will be supplied from a transformer bank located on the nearest pole to the subject property. The supply will be via an underground feed of approximately length of 52m.
 - Incumbent: Source of supply would be an existing 27.6 kV from Kent TS that is located approximately 2.8 km from proposed point of connection.

b) The proximity of the proposed connection to an existing, well-developed electricity distribution system.

- Applicant: Has 3-phase aerial 27.6 kV distribution circuitry that lies directly adjacent to the connection point on Bear Line located approximately 52m away.
- Incumbent: Has 3-phase aerial 27.6 kV distribution circuitry that has a closest point of connection approximately 2.8 km from the point of connection.
- b) Both HONI and the Applicant agree that a detailed economic evaluation is not needed in the determination of economic and engineering efficiency, as the Applicant has distribution facilities abutting the property to be serviced while HONI would be required to build a 2.8 km line to connect the customer. The magnitude of such a major construction cost verses the supply of a secondary service did not warrant additional engineering and design costs to produce detailed costing estimates for comparison purposes. Both HONI and the Applicant agree that the proposed SAA will result in the optimal use of existing infrastructure. The proposed SAA will promote economic efficiency as it represents the most effective use of existing resources and reflects the lowest long run economic cost of service to all parties.
- c) The amount of any capital contribution required from the customer:
 - Applicant: a capital contribution of \$8,423.18 is estimated for this connection.
 - Incumbent: A capital contribution has not been calculated (see 7.2.1c).
- e) The costs for stranded equipment (i.e., lines, cables, and transformers) that would need to be de-energized or removed if the proposed SAA is granted:
 - Applicant: Not Applicable.

- Incumbent: Not Applicable.
- 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 connection of the Development to the Entegrus electricity distribution system will not materially impact the system reliability of the Applicant. This new connection is one customer and relative to Entegrus' system, this addition will not have any material effect on the Applicant's existing distribution system over the short-term or the long-term.
- 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 only additional infrastructure required to service this customer is the addition of a 3 phase transformer bank and the secondary service wire. The area around this property is well served to provide any additional expansion in the area.

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 have no material effect on the ability of the Applicant to continue to provide cost-efficient improvements or upgrades in the area that is subject of the SAA application and adjacent regions, should the need arise.

7.3 Impacts Arising from the Proposed Amendment

Description of Impacts

7.3.1 Affected Customers and Landowners

There are no existing customers or landowners, other than the College, affected by this proposed amendment. The College is in support of this application (see Exhibit 6).

7.3.2 Customer Impacts within Subject Area

The College's facility will be in the only customer in the subject area. The requested SAA will have no material impact on costs, rates, service quality and reliability for other customers in the area that is subject of the SAA.

7.3.3 Customer Impacts outside Subject Area

The Applicant's customers outside the area will not experience any impact on costs, rates, service quality or reliability.

7.3.4 Distributors Impacts

Approval of this SAA application will not result in any negative impact on the Applicant's costs, services quality or reliability. Instead, the Applicant will have a favourable customer impact in terms of cost, and rates with additional customer growth and distribution revenue.

The Applicant expects that there will be little or no impact on HONI as a result of the SAA. See Exhibit 5.

7.3.5 Stranded and Redundant Assets

There are no stranded or redundant assets for the Applicant. The incumbent has no assets in the area.

7.3.6 Transferred Assets

There is no transfer of assets associated with this application.

7.3.7 Transferred Customers

There is no transfer of customers associated with this application.

7.3.8 Eliminated Load Transfers or Retail Points of Supply

There are no load transfers or retail points of supply that will be eliminated.

7.3.9 New Load Transfers or Retail Points of Supply

There are no new load transfers or retails points that will be created by this SAA.

Evidence of Consideration & Mitigation of Impacts

7.3.10 Written Confirmation of Full Disclosure

The Applicant confirms that all affected persons, namely HONI and the College, have been provided with specific and factual information about the proposed SAA. Attached is HONI's letter of consent (see Exhibit 5) and the College's consent (see Exhibit 6).

7.3.11 Consent of Incumbent Distributor

The Applicant has informed HONI in writing of this SAA. HONI has agreed to consent to the Applicant's SAA, for reference see Letter of Consent from HONI, Exhibit 5.

7.3.12 Consent of College

The College has reviewed the Offer to Connect from the Applicant and has informed the Applicant in writing that it prefers that the Applicant be its electrical provider, see Exhibit 6.

7.3.13 Mitigation Efforts related to Customer and Asset Transfers

There are no customer or asset transfers involved in this application.

7.4 <u>Customer Preference</u>

7.4.1 Written Statement of Customer Preference

The College has issued a letter to the Applicant stating its preference to be serviced by the Applicant, refer to Exhibit 6.

7.5 <u>Contested Application – Additional Information</u>

Hydro One has consented to the Applicant's proposed SAA for this connection.

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Exhibits

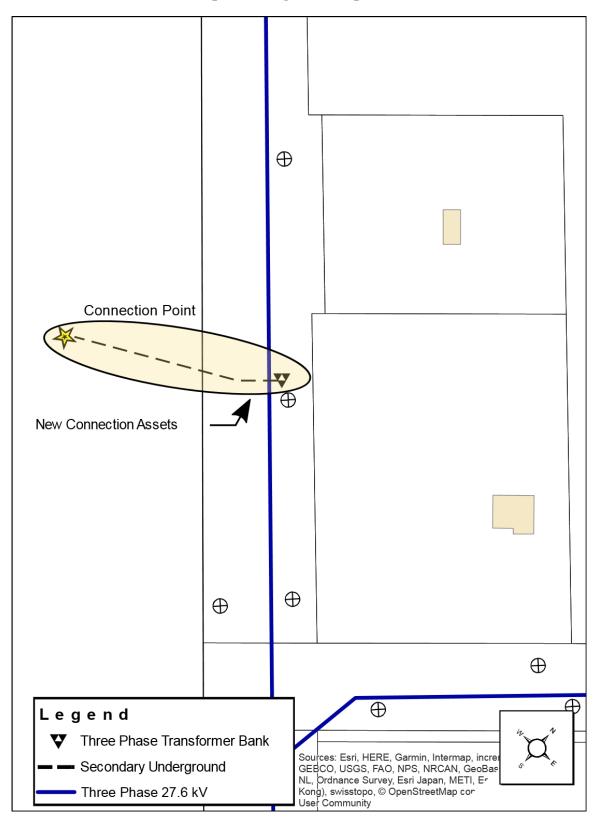


Exhibit 1: Map – Entegrus Proposed Connection

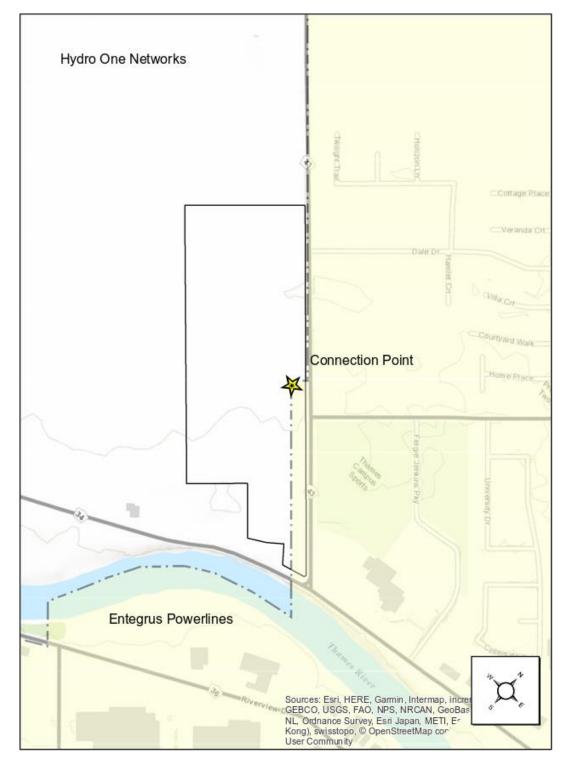


Exhibit 2: Map – Relevant Borders of Applicant and Incumbent Service area



Exhibit 3: Map - Geographical Features surrounding the Area

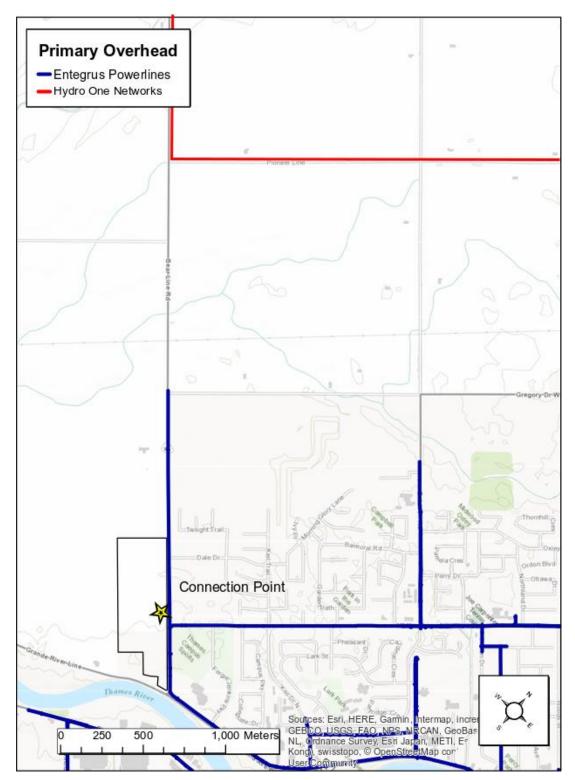


Exhibit 4: Map - Existing Facilities Supplying the Area

Exhibit 5 (HONI Letter of Consent)

Hydro One Networks Inc.

7^{fr} 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

Jim Hogan President & CEO Entegrus Powerlines Inc. P.O. Box 70, 320 Queen St. Chatham, Ontario N7M 5K2

Dear Mr. Hogan,

Entegrus Powerlines Inc. Application for Licence Amendment

This is to confirm that Hydro One Networks Inc. ("Hydro One") supports your application to amend the Entegrus Powerlines Inc. ("EPI") Distribution Licence as proposed in EPI's service area amendment application. The intent of the application is to amend EPI's distribution licence to permit the connection of a three-phase commercial service at 23508 Bear Line Rd, Chatham-Kent, Ontario.

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

Sincerely,

Joanne Richardson

Exhibit 6: Customer Preference Letter for Electrical Provider



Nov 17, 2017

VIA ELECTRONIC MAIL

Michael O'Reilly, P. Eng. Manager of Engineering Entegrus Powerlines Inc. (519) 352-6300 ext. 267 (519) 359-5977 cell

Dear Mike,

Re: National Powerline Training Centre - St. Clair College - Chatham Campus

Request to have Entegrus supply power

St. Clair College is in the process of building the National Powerline Training Centre (NPTC) at the Chatham campus. We are currently an Entegrus customer throughout our Chatham campus and would like to request that the power required for the NPTC be supplied by Entegrus as well. The construction site is currently prepared for power to be installed. We require 208 - 3 phase power which, we understand, Entegrus has available. We also wish to note that, in addition to purchasing the 3 phase equipment, the College has also absorbed considerable cost to bore and install a service duct below Bear Line Road.

Timelines of Project

Our project has extremely tight time frames. Currently we are on budget and on time with the project. *I* delay in providing power to our site would be very problematic. Funding from the federal government under the Strategic Investment Fund (SIF) requires our project to be complete by March 31, 2018. A delay in providing a power supply will create a critical concern for the project and the College.

Request to be an Entegrus Customer

As mentioned above, St. Clair College is already an Entegrus customer, therefore it would be logical for us to be allowed to keep all our facilities under one service provider. The National Powerline Training Centre is just an extension to the College's facilities and not a new customer.

We are requesting that this issue be resolved between Hydro One and Entegrus as soon as possible so that power can be brought into our new Training Centre allowing construction to continue without delays.

Exhibit 6 – page 2 (Continuation)

If you have any questions please feel free to contact me at 226 345 4938.

Regards,

Randall Primeau, CET, LEED AP Manager, Construction and Engineering Services

Cc; R. Demchuk, R. Seguin, M. Benoit - St. Clair College

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