

# Service Area Amendment (SAA) Application

FESTIVAL HYDRO INC.

Distribution Licence ED-2002-0513

Submitted December 03, 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 **Coventry Subdivision**, with the legal description **PART LOTS 3 AND 4, CONCESSION 2 ELLICE, CITY OF STRATFORD, COUNTY OF PERTH** ("the Subject Area"), owned by **North West Stratford (2016) Developments Inc.**. 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-2012-0204) which was granted to Festival by Order of the OEB in the decision dated July 5, 2012.

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 **North West Stratford (2016) Developments Inc** ("Developer"), located in the City of Stratford, and is designated for residential development.

The Subject Area is described as **Coventry Subdivision**, with municipal addresses **4117 Perth Line 36 and 450 McCarthy Road West**, 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 18:

**18. PART LOTS 3 AND 4, CONCESSION 2 ELLICE, CITY OF STRATFORD, COUNTY OF PERTH.**

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  
semsediniy@festivalhydro.com

The Incumbent Distributor:

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

(There are no other alternate distributors.)

The Registered Owner/Developer:

David Tennant  
North West Stratford (2016) Developments Inc.  
1255 Commissioners Road West, Suite 255  
London, ON N6K 3N5  
519-619-7299  
[david@hginc.ca](mailto:david@hginc.ca)

Kyle McIntosh, P.Eng. Manager, Land Development  
MTE Consultants Inc.  
560 Wellington St, 4th Floor, London, Ontario N6A 3R4  
519-204-6510 x2203  
[KMclntosh@mte85.com](mailto:KMclntosh@mte85.com)

(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 that was started in 2012, which was the subject matter of Decision and Order EB-2012-0204. The existing electrical infrastructure owned by Festival can accommodate the anticipated load within the proposed addition of one hundred and twenty-two (122) detached residential homes, six (6) semi-detached / townhomes, and thirteen (13) blocks for 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 275m) to the property, but would need to cross private property (farmland) to supply the development. 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 Coventry Subdivision, 4117 Perth Line 36 and 450 McCarthy Road West, in the City of Stratford and consists one hundred and twenty-two (122) detached residential homes, six (6) semi-detached / townhomes, and thirteen (13) blocks for 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 Subdivision (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 an existing residential subdivision, consisting of consists of one hundred and twenty-two (122) detached residential homes, six (6) semi-detached / townhomes, and thirteen (13) blocks for multiple residential units. When completed and fully occupied, the Subject Area will add

approximately 750 to 1500 kW of load to the Festival system. The Developer has requested a connection in early 2019.

The Subject Area will be supplied by connecting underground circuits to the existing overhead infrastructure on McCarthy Road, 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 northwest, via Street B (see Draft Plan of Subdivision in Schedule A). There are currently no plans by the Developer or the City of Stratford to develop the adjacent lands owned by the Applicant to the northeast across McNamara Drain. When the adjacent 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 D shows how the existing infrastructure on McCarthy Road (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 Perth Line 36 (Quinlan Road), across private property via a registered easement, approximately 275m to the northeast.

(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 Perth Line 36 (Quinlan Road), approximately 275m northeast 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 northwest. 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**

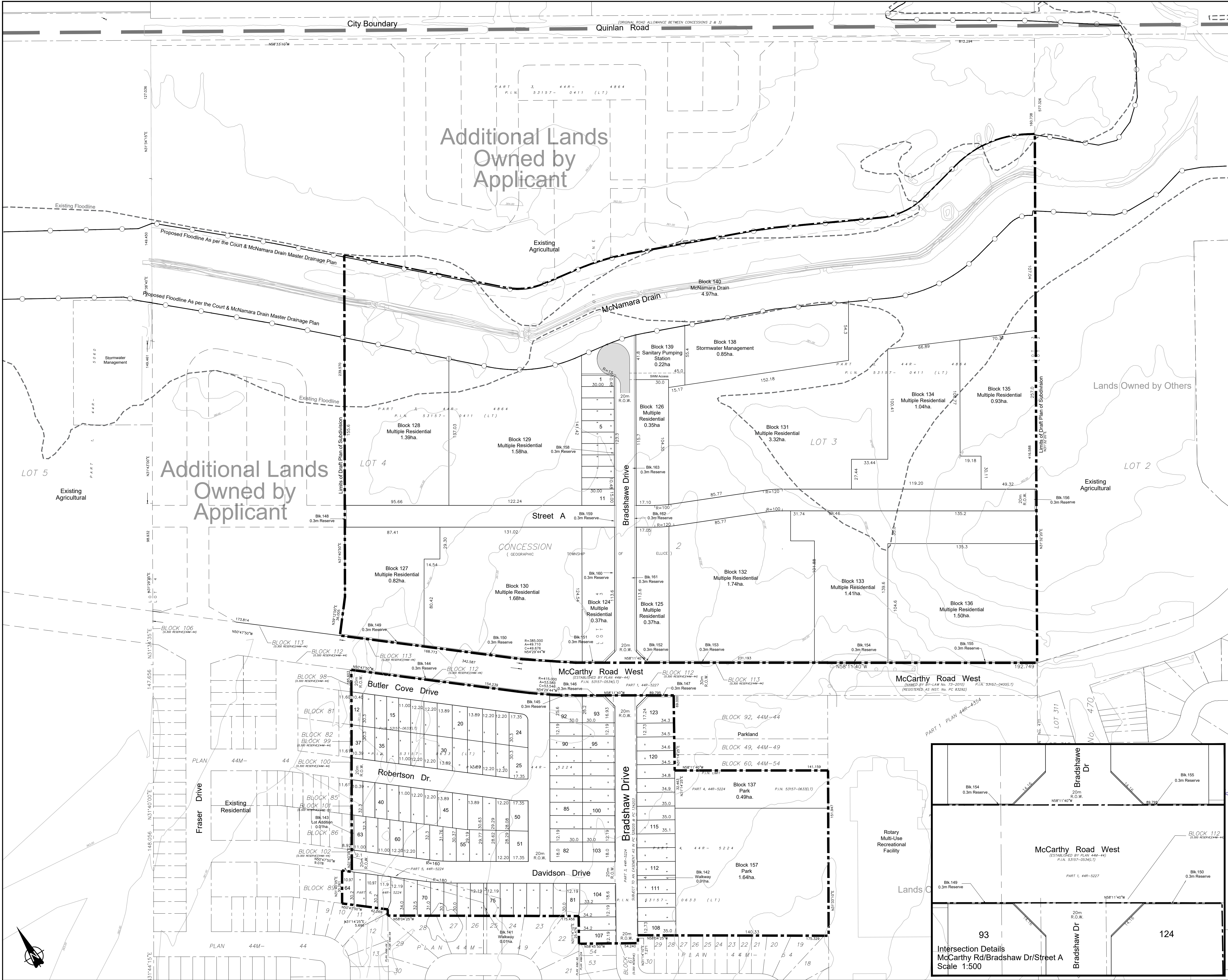
The Developer has indicated their preference to have Festival supply this Development, as noted in their letter of support attached as Schedule F.

**All of which is respectfully submitted.**

**SCHEDULE A**  
**DRAFT PLAN OF SUBJECT AREA**

**See attached**





# DRAFT PLAN OF SUBDIVISION

Part of Lots 3 & 4, Concession 2  
(Geographic Township Of Ellice)  
Registered Plan No. 11  
City of Stratford  
County of Perth

LAND USE SCHEDULE			
	Lots / Blks	Units	Area (ha.)
Single Detached Residential	Lots 1-92, 94-123	120	4.66
Duplex Residential	Lots 92-93, 123	6	0.23
Multiple Residential	Block 124	14-17	0.37
	125	14-17	0.37
	126	9-16	0.35
	127	13-82	0.82
	128	22-139	1.39
	129	25-158	1.58
	130	27-168	1.68
	131	53-332	3.32
	132	28-174	1.74
	133	23-141	1.41
	134	17-104	1.04
	135	15-93	0.93
	136	24-150	1.50
Parks	Block 137, 157	2.13	
Stormwater Management	Block 138	0.85	
Sanitary Pumping Station	Block 139	0.22	
McNamara Drain	Block 140	4.97	
Walkway	Block 141-142	0.02	
Lot Addition	Blocks 143	0.01	
0.3m Reserve	Blocks 144-156, 158-163	0.00	
Roads		3.84	
Total		410-1717*	33.43


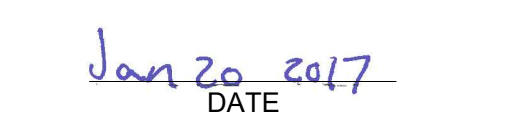
\* Maximum number of units 837

Draft Approved Lands to be Included in Service Area Amendment

Other Draft Approved Lands already within Festival Hydro Service Area

ADDITIONAL INFORMATION  
(UNDER SECTION 51(17) OF THE PLANNING ACT)  
INFORMATION REQUIRED BY CLAUSES a,b,c,d,e,f,g,j and l ARE AS SHOWN ON THE DRAFT PLAN.  
h) Municipal water supply  
i) Clay loam  
k) All sanitary and storm sewers as required

OWNER'S CERTIFICATE  
I AUTHORIZE THE GSP GROUP INC. TO PREPARE AND SUBMIT THIS DRAFT PLAN OF SUBDIVISION TO THE CITY OF STRATFORD.

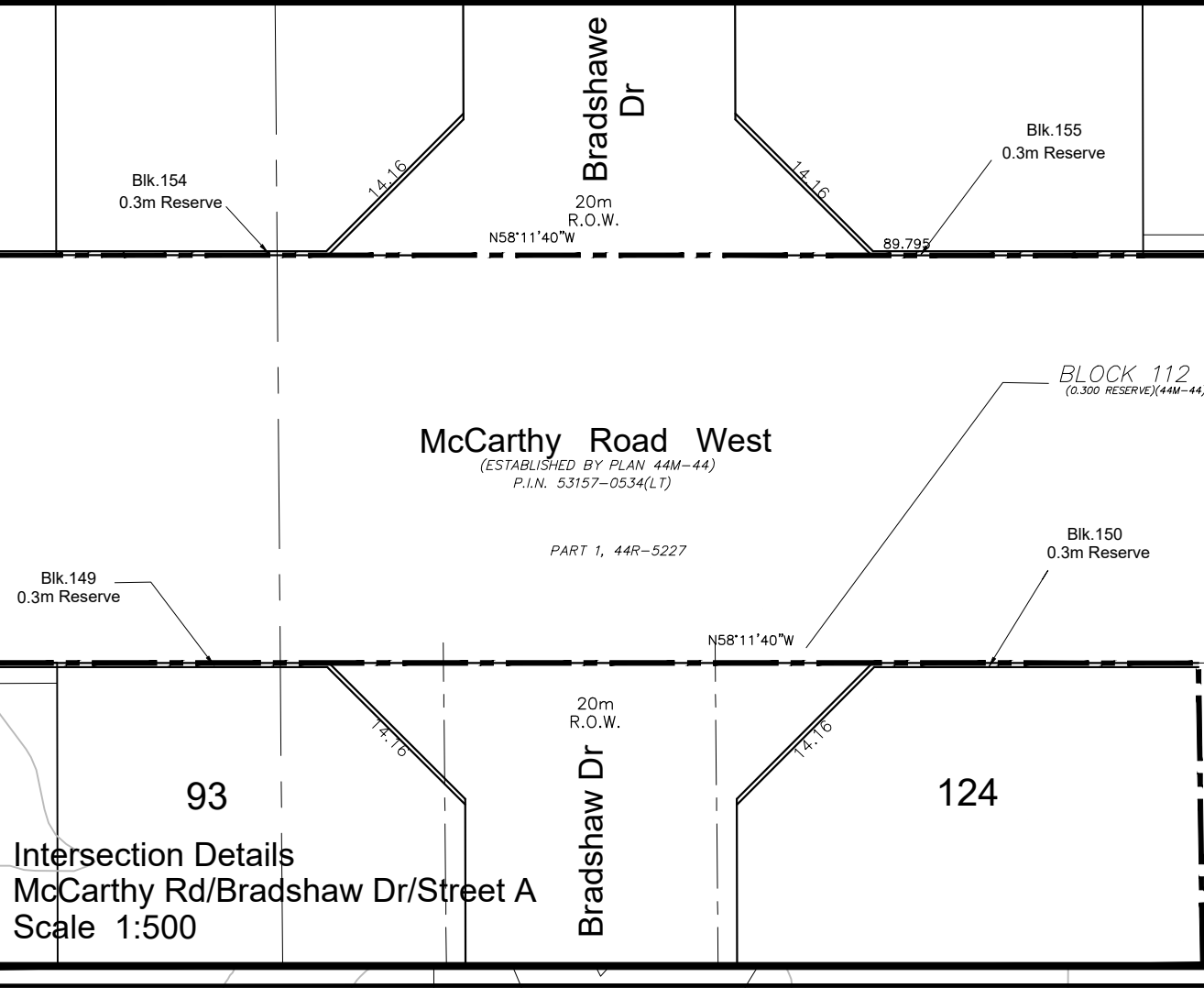
 NORTHWEST STRATFORD (2016) DEVELOPMENTS INC.  Jan 20, 2017 DATE

 MARCOR FARMS LTD.  Jan 26, 2017 DATE

SURVEYOR'S CERTIFICATE  
I CERTIFY THAT THE BOUNDARIES OF THE LAND TO BE SUBDIVIDED AND THEIR RELATIONSHIP TO THE ADJACENT LANDS ARE CORRECTLY SHOWN.

 TERRY DIETZ, O.L.S. Callon Dietz Inc.  Dec 18, 2017 DATE

GSP group		REVISIONS	
PLANNING	URBAN DESIGN	LANDSCAPE ARCHITECTURE	
Date: December 21, 2016	Drawn By: S.L./J.H.	Dwg. File Name: dp8004o.dwg	
Scale: 1:1500 metric	Project No.: 8004.40		

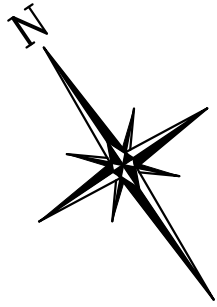




## **SCHEDULE B**

### **FESTIVAL EXISTING AND PROPOSED SERVICE BOUNDARY**

**See attached**

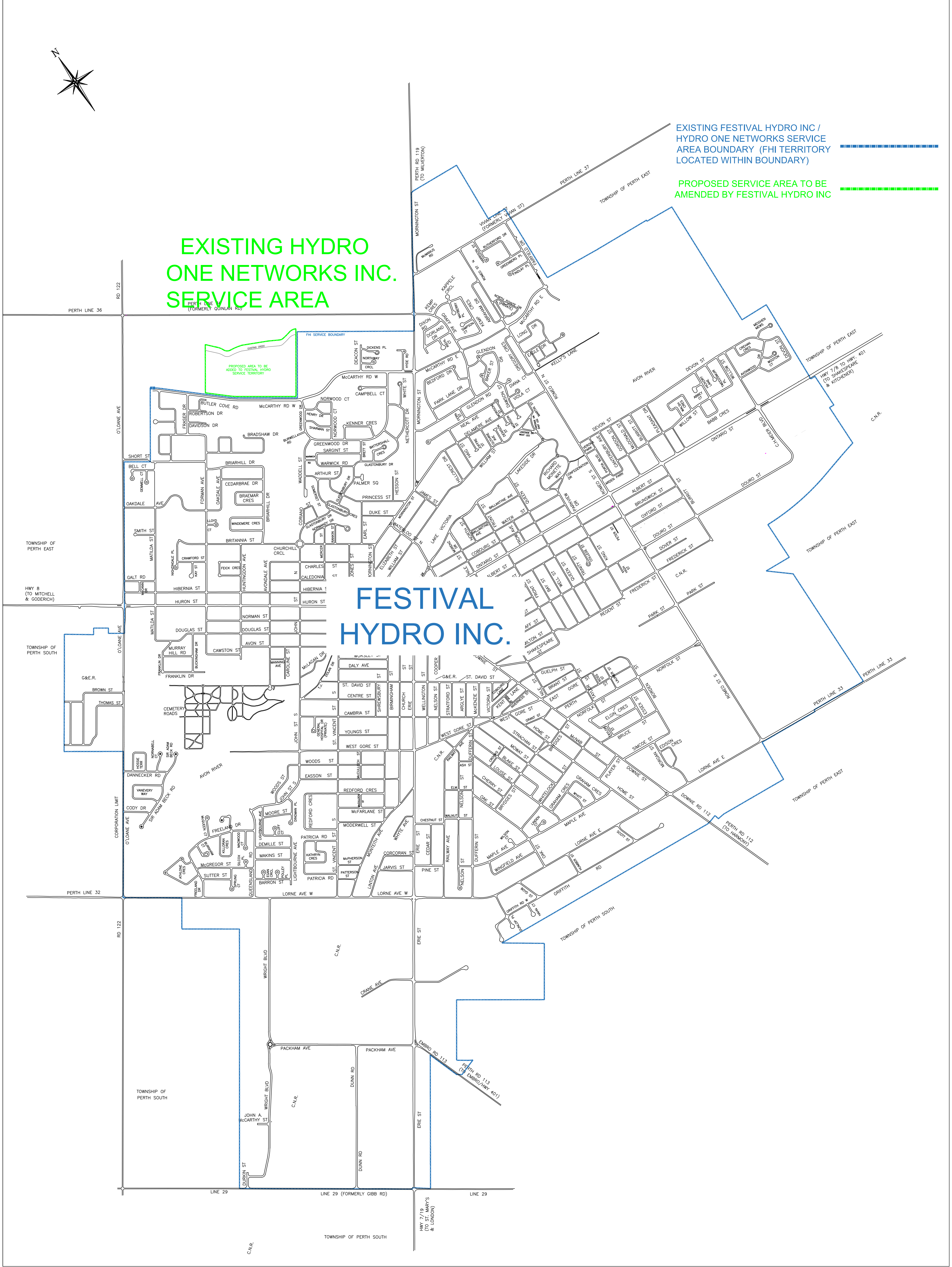


EXISTING HYDRO  
ONE NETWORKS INC.  
SERVICE AREA

EXISTING FESTIVAL HYDRO INC /  
HYDRO ONE NETWORKS SERVICE  
AREA BOUNDARY (FHI TERRITORY  
LOCATED WITHIN BOUNDARY)

PROPOSED SERVICE AREA TO BE  
AMENDED BY FESTIVAL HYDRO INC

FESTIVAL  
HYDRO INC.



**SCHEDULE C**

**EXISTING INFRASTRUCTURE  
FESTIVAL AND HYDRO ONE**

**See attached**



PERTH LINE 36  
(FORMERLY QUINLAN RD)

EXISTING HYDRO ONE  
DISTRIBUTION CIRCUITS

FHI SERVICE BOUNDARY

EXISTING CREEK

PROPOSED AREA TO BE  
ADDED TO FESTIVAL HYDRO  
SERVICE TERRITORY

**EXISTING FHI 27.6kV  
DISTRIBUTION CIRCUIT**

DEACON ST

McCARTHY RD

NORWOOD CT

McCARTHY RD W

BUTLER COVE RD

ROBERTSON DR

DAVIDSON DR

FRASER DR

BRADSHAW DR

GREENWOOD DR

HENRY DR

SHARMAN ST

NORWOOD CT

KENNEDY DR

BURWELL DR



**SCHEDULE D**

**FESTIVAL PROPOSED INFRASTRUCTURE**

**See attached**



PERTH LINE 36  
(FORMERLY QUINLAN RD)

EXISTING HYDRO ONE  
DISTRIBUTION CIRCUITS

PROPOSED CONNECTION  
POINT FOR SERVICING  
DEVELOPMENT

EXISTING FHI 27.6kV  
DISTRIBUTION CIRCUIT

DEACON ST

McCARTHY RD

CALDWELL ST

NORWOOD CT

NORWOOD CT

KENNEDY ST

HENRY DR

SHARMAN ST

GREENWOOD DR

BURWELL DR

BRADSHAW DR

McCARTHY RD W

BUTLER COVE RD

ROBERTSON DR

DAVIDSON DR

FRASER DR

**SCHEDULE E**  
**HYDRO ONE CONSENT LETTER**

**See attached**

**Hydro One Networks Inc.**

7<sup>th</sup> 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

November 5, 2018

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

Dear Mr. Semsedini,

**Festival Hydro Inc - Service Area Amendment (SAA) 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 development know as Coventry Subdivision, described as: Part Lots 3 & 4, Concession 2 Ellice, City of Straford, County of Perth.

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", written over a horizontal line.

Joanne Richardson

**SCHEDULE F**  
**DEVELOPER SUPPORT LETTER**

**See attached**

North West Stratford (2016) Developments Inc.  
1255 Commissioners Rd West Suite 225  
London, Ontario  
N6K 3N5

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 – 4117 Perth Line 36 and 450 McCarthy Road West, Stratford

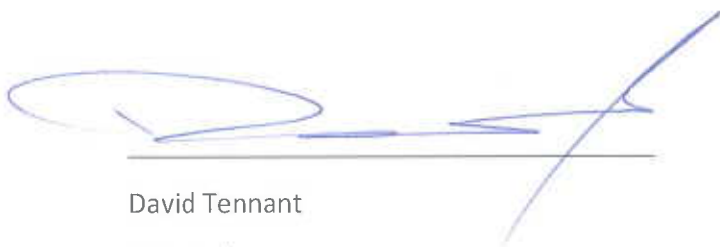
Dear Jeff:

As previously discussed, North West Stratford (2016) Developments Inc. 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 Lots 3 and 4, Concession 2, Ellice, City of Stratford, County of Perth" and municipally known as 4117 Perth Line 36 and 450 McCarthy Road West.

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.



David Tennant

Principal

519 619 7299