

**Entegrus Powerlines Inc.** 

320 Queen St. (P.O. Box 70) Chatham, ON N7M 5K2 Phone: (519) 352-6300 Toll Free: 1-866-804-7325

-800-804-7325 entegrus.com

October 4, 2019

Ms. Kirsten Walli Ontario Energy Board PO Box 2319 27th Floor, 2300 Yonge Street Toronto, Ontario M4P 1E4

Re: Application for Service Area Amendment

Dear Ms. Walli,

Entegrus Powerlines Inc. ("EPI") respectfully submits the following Service Area Amendment application. By way of this application, EPI seeks Ontario Energy Board ("Board") approval to amend its Distribution Licence (ED-2002-0563).

The complete application was submitted today via the Board's web portal in both electronic PDF form. Further, two hardcopies of the Application have been submitted via courier.

Entegrus respectfully requests that this Application be processed by way of written hearing.

If you have any further questions, please do not hesitate to contact us.

Regards,

[Original signed by]

David C Ferguson Vice President of Regulatory & Human Resources Phone: 519-352-6300 Ext 558

Email: regulatory@entegrus.com

cc: Tomo Matesic, Vice President Engineering & Operations

Patricia Coca, Senior Distribution Engineer

Andrya Eagen, Manager of Regulatory & Reporting



Service Area Amendment Application

Application & Evidence Licence: ED-2002-0563 Date Filed: October 4, 2019

# SERVICE AREA AMENDMENT APPLICATION

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# 1. Introduction

Entegrus Powerlines Inc. ("EPI") is making this application (the "Application") to the Ontario Energy Board ("OEB") pursuant to Section 74(1) of the Ontario Energy Board Act, 1998 for the purpose of amending the licenced service area of EPI as described in Schedule 1 of its Distribution Licence ED-2002-0563 (the "Service Area") to include the Park Street Subdivision in the County of Middlesex (the "Subject Area"), owned by Wastell Developments Inc. This property is within the municipal boundary of the City of Strathroy-Caradoc, but outside the existing Service Area of EPI.

The Subject Area is currently within the service territory of Hydro One Networks Inc. ("Hydro One"), and adjacent to the EPI Service Area, as currently defined in Schedule 1 of Licence ED-2002-0523. The Subject Area is owned by Wastell Development Inc. ("Developer"), located in the west section of Strathroy-Caradoc, and is designated for residential development.

The Subject Area is shown in Schedule B.

The Subject Area is legally described as:

Part 1 of Plan 33R-17367, Part of Lot 9, Concession 10, Geographic Township of Caradoc Municipality of Strathroy-Caradoc shown on the map included as Exhibit 5 of the Service Area.

For the reasons set out herein, it is in the public interest to amend Schedule 1, entitled "The Entegrus Powerlines Inc. Rate Zone" (starting on page 13 of the EPI electricity distribution licence) to add above Subject Area as line 12 (ix) of the licence.

In considering this application, EPI understands that the Board will be guided by the principles articulated in the Board's Filing Requirements for Service Area Amendment Applications dated March 12, 2007 and included as Chapter 7 of the Filing Requirements for Transmission and Distribution Application, together with the Board's Decision with Reasons in the RP-2003-0044 combined service area amendments proceeding (the "Combined Proceeding"). This Application satisfies each of those requirements. Via a letter of support (included as Exhibit 6), the Developer has indicated that it prefers EPI as the distributor for the Subject Area.

Hydro One has agreed to consent to this Application (consent letter included as Exhibit 7) and the required expansion of EPI's service territory to service the Subject Area. Given the manner in which Schedule 1 of Hydro One's licence is presented, it would not need to be amended if this SAA application is approved. EPI requests that the Board dispose of this Application without a hearing pursuant to Section 21(4) of the *Ontario Energy Board Act*, 1998. As described further below, no person will be adversely affected in a material way by the outcome of this Application other than EPI, Hydro One (who has consented) and the Developer (who prefers EPI).

# 2. GENERAL

# (a) Contact Information:

The contact information for all affected parties is listed below.

## Applicant:

Tomo Matesic

Vice President of Engineering & Operations

Entegrus Powerlines Inc.

320 Queen St Chatham, Ontario N7M 5K2

Telephone: 519-352-6300 ext. 349

Fax: 519-351-4059

Email address: tomo.matesic@entegrus.com

**David Ferguson** 

Vice President of Regulatory & Human Resources

Entegrus Powerlines Inc.

320 Queen St Chatham, Ontario N7M 5K2

Telephone: 519-352-6300 ext. 558

Fax: 519-351-4059

Email address: regulatory@entegrus.com

Patricia Coca

Senior Distribution Engineer

Entegrus Powerlines Inc.

135 Edward St, St Thomas ON N5P 3V2 Telephone: 519-631-5550 ext. 5256

Fax: 519-631-4771

Email address: patricia.coca@entegrus.com

#### The Incumbent Distributor:

Pasquale Catalano

**Advisor Regulatory Affairs** 

Hydro One Networks Inc.

483 Bay Street, South Tower, 7th floor Toronto, Ontario M5G 2P5

Telephone: 1-416-345-5405

Fax: 416-345-5866

Email: regulatory@hydroone.com

(There are no other alternate distributors.)

## The Developer Representative:

**Dillon Consulting Limited** 

130 Dufferin Avenue Suite 1400, London ON N6A 5R2

Phone: 519-438-1288 x 1380 Fax: 519-672-8209

Email: LSimms@dillon.ca Attention: Leah Simms.

The Developer (and registered owner of the Subject Area):

Wastell Development Inc.

5-1895 Blue Heron Drive, London, ON N6H 5L9

Phone: 519-850-0020 x 104 Email: julian@wastell.ca

Attention: Mr. Julian N. Novick, P. Eng.

# (b) Reasons for Amendment:

The service area amendment proposed in this Application is in the public interest as defined in the Combined Proceeding, for the following reasons:

- 1. The Developer's preference is that EPI service the Subject Area (see Exhibit 6).
- 2. The proposed Service Area Amendment ("SAA") is consistent with the objective of a rational and efficient service area alignment based on both economic and engineering efficiency.
- 3. EPI has infrastructure within close proximity to the Subject Area that can provide the required electrical service with minimal investment. The incumbent distributor (Hydro One) also has infrastructure within close proximity to the Subject Area. Following discussions between the two distributors, the parties concluded that Hydro One's costs to service the property are greater than EPI's, and Hydro One agreed to consent to this SAA application (see Exhibit 7).
- 4. EPI's connection proposal for the Subject Area is comparable to Hydro One's in terms of system planning, safety and service reliability.
- 5. The proposed SAA will not result in stranded or duplicated assets.
- 6. The incorporation of the Subject Area into EPI's Service Area will be seamless. The Subject Area is adjacent to and abuts an earlier developed phase of the same subdivision within EPI's Service Area.

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 Park Street Subdivision, and consists of 22 lots for single-detached dwellings.

The legal description of the Subject Area is described in Section 1 above.

Exhibit 4 shows the proposed and existing facilities surrounding the area.

Exhibit 5 shows the full extent of property owned by the Developer.

### (d) Proposed Service Area – Maps and Diagrams:

The following maps, diagrams and pictures are attached:

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Exhibit 1- Map – EPI Proposed Connection
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Exhibit 2- Map – Border of Applicant and Incumbent Service Area

Exhibit 3 -Map – Geographical Features Surrounding the Area

Exhibit 4 -Map – Proposed & Existing Facilities Supplying the Area

Exhibit 5- Map – Park Street Wastell Development Inc.

Exhibit 6- Developer Support Letter

Exhibit 7 - Hydro One Consent Letter

Collectively, these maps identify the Subject Area, the existing borders of EPI 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 consists of 22 lots for single homes. For the economic modeling and system planning, a residential load of 653 kWh per month of additional load to the EPI system was contemplated. The Developer has requested a connection in October 2019.

The Subject Area will be supplied by extending a single phase from the existing EPI underground system. The point of connection will be at an existing single phase padmounted transformer located on Park Street.

The existing and proposed infrastructures are shown in Exhibit 4.

## (f) Distribution Infrastructure – Future Expansions in Adjacent Lands:

The Site Plan shown in Exhibit 5 and the Developer Owned Property Map in Exhibit 3 identify the property owned by the Developer.

# 3. EFFICIENT RATIONALIZATION OF THE DISTRIBUTION SYSTEM

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:

As noted above, The Subject Area is adjacent to and abuts an existing subdivision within EPI's Service Area.

Exhibit 1 shows the existing infrastructure at Park Street that will be extended to the new development.

EPI understands that Hydro One would supply this development by extending its existing distribution along Park Street.

## (b) Proximity to Distribution System:

EPI currently services lands adjacent to and abutting the existing subdivision, as noted in Exhibit 1. The nearest Hydro One assets, located on Park Street, also abut this development. The proximity of Hydro One assets are shown in Exhibit 2.

# (c) Fully Allocated Connection Costs:

The fully allocated connection costs for EPI and Hydro One were reviewed jointly by both distributors to ensure an even comparison. These costs were used to prepare the Offers to Connect. The fully allocated connection costs for EPI were less than the equivalent costs for Hydro One.

### (d) Capital Contribution:

The amount of capital contribution required from the customer by EPI is \$42,011.50.

#### (e) Stranded Equipment Costs:

There will be no stranded equipment due to the proposed SAA. Consequently, the costs are nil.

### (f) 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 EPI distribution system.

#### (g) Cost-Effectiveness of Future Expansions:

The infrastructure proposed by EPI will adequately supply the 22 lots.

(h) Cost-Effectiveness of Improvements and Upgrades:

The infrastructure proposed by EPI will not adversely affect the cost-effectiveness of future improvements and upgrades in the area.

# 4. IMPACTS ARISING FROM THE PROPOSED AMENDMENT

(a) Description of Impacts – Affected Customers and Land Owners:

The Subject Area is vacant land owned by the Developer. 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 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 additional revenue.

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

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

(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:

EPI confirms that all affected parties have been provided with specific and factual information about the proposed SAA. As mutually agreed upon by both HONI and EPI, the Developer will be receiving an Offer to Connect from EPI [note to reader: it is intended that this offer will be sent to the developer in September 2019].

(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 Attachment H.

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

The Developer has provided their consent via a letter of support attached as Exhibit 6.

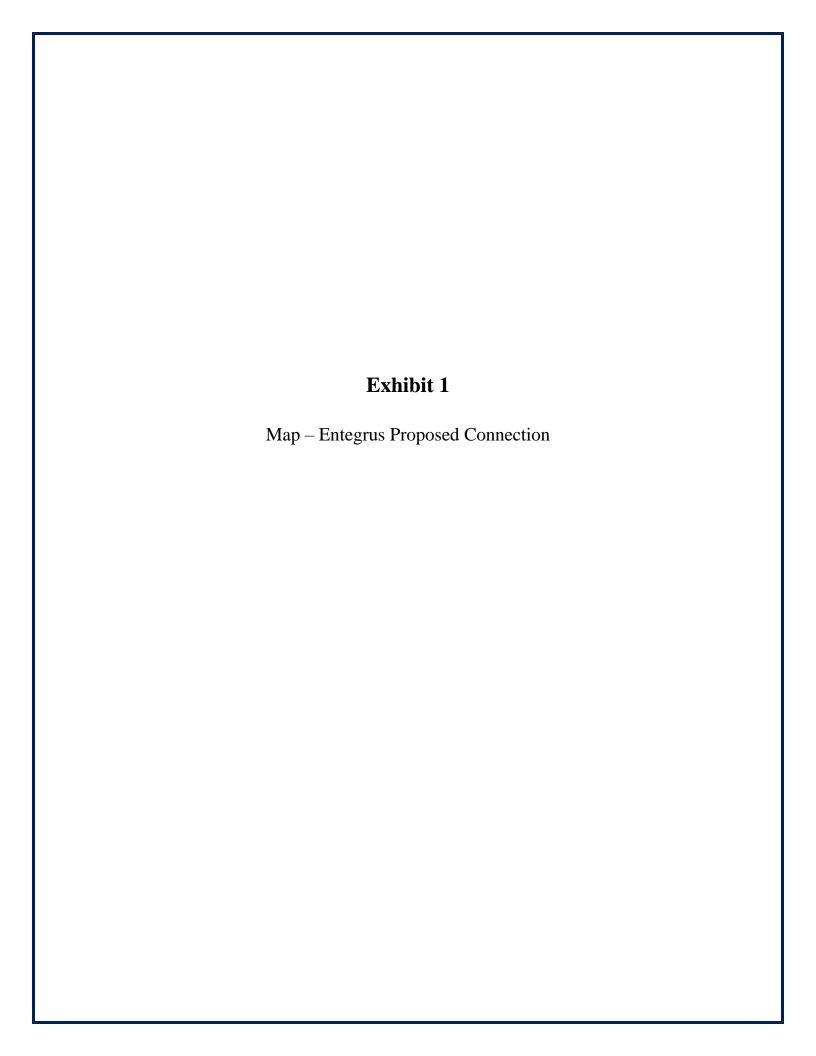
(m) Evidence of Consideration and Mitigation of Impacts – Mitigation Efforts Related to Customer and Asset Transfer:

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

# 5. CUSTOMER PREFERENCE

The Developer has indicated their preference to have EPI supply this Development, as noted in their letter of support attached as Exhibit 6.

All of which is respectfully submitted



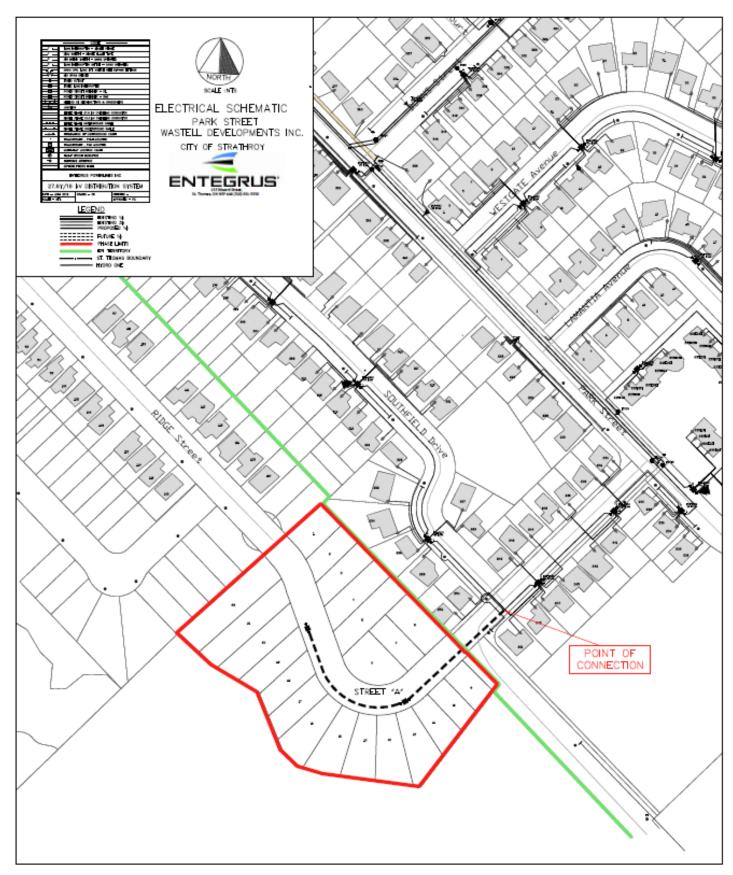
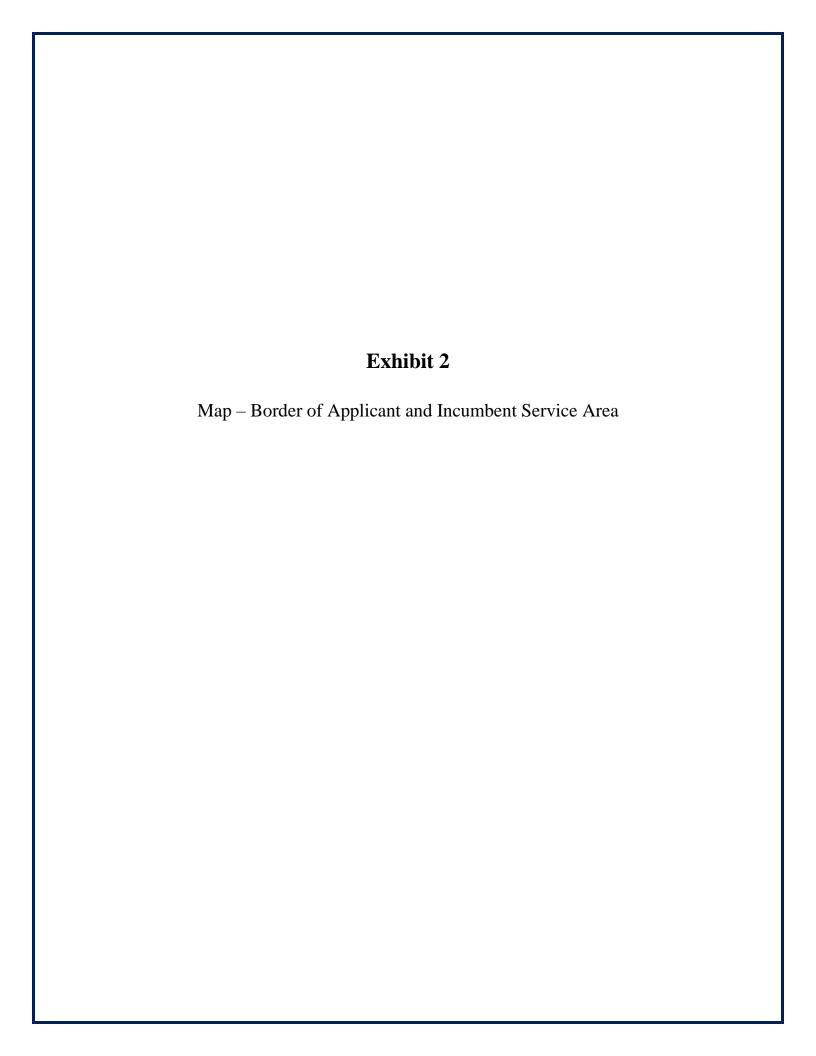
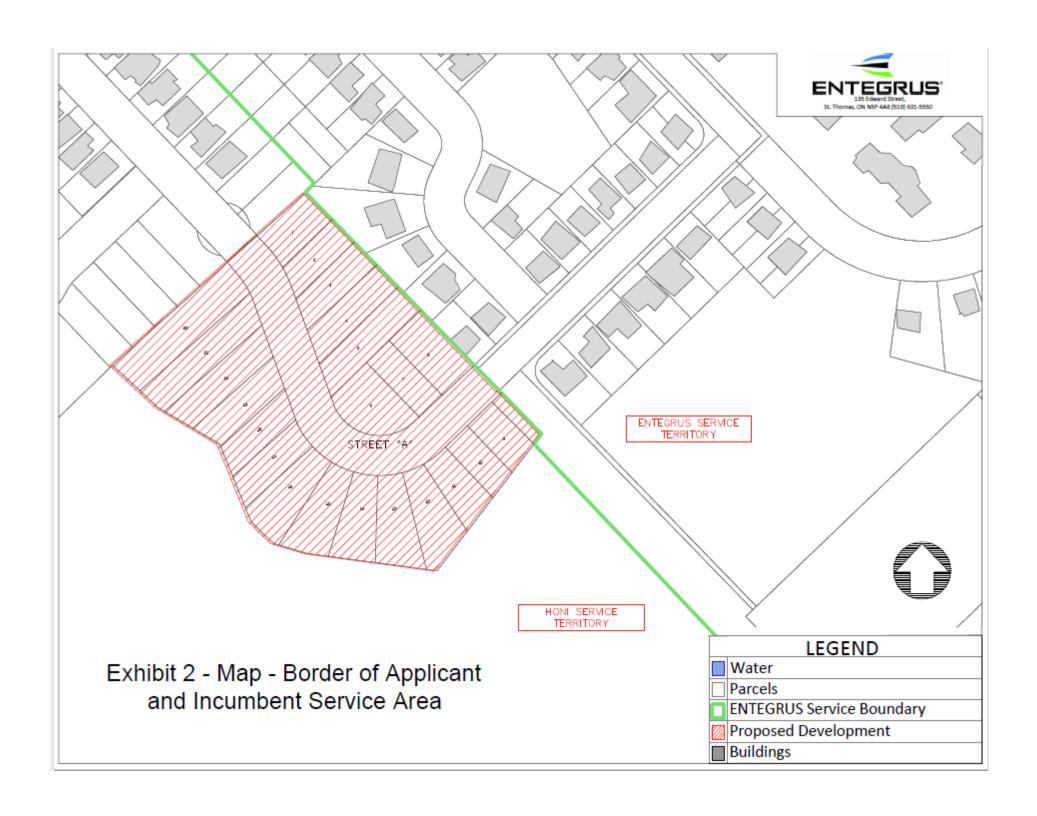
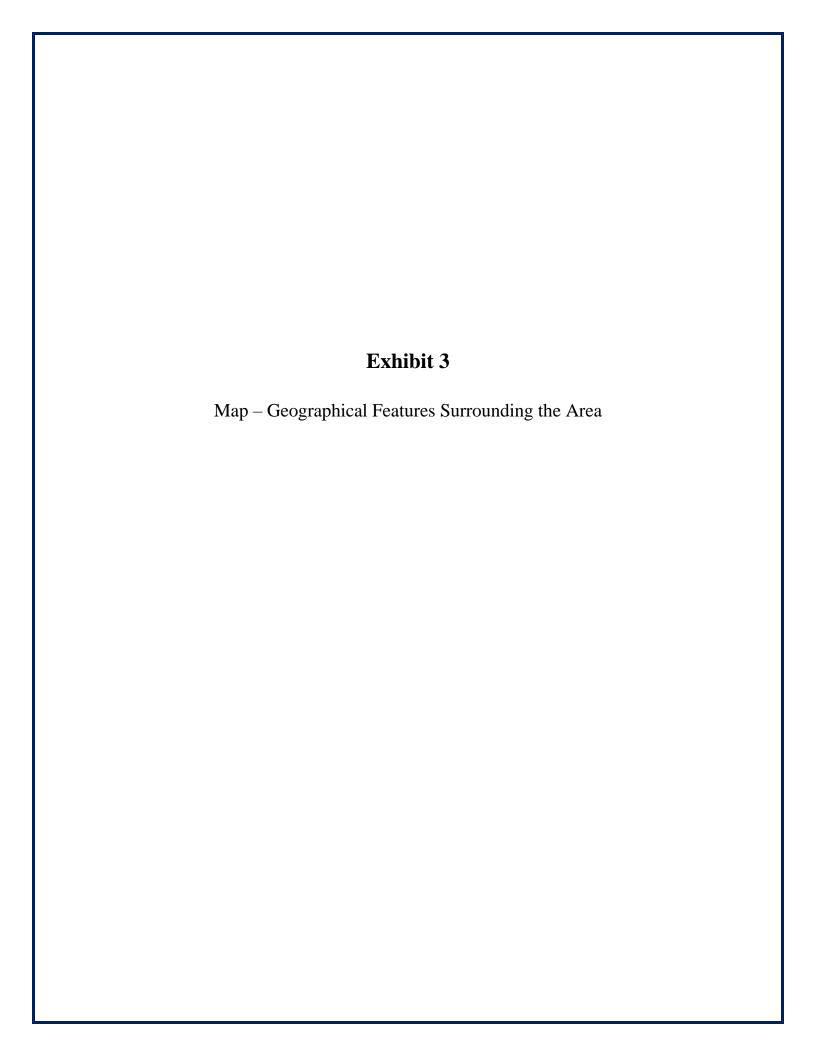


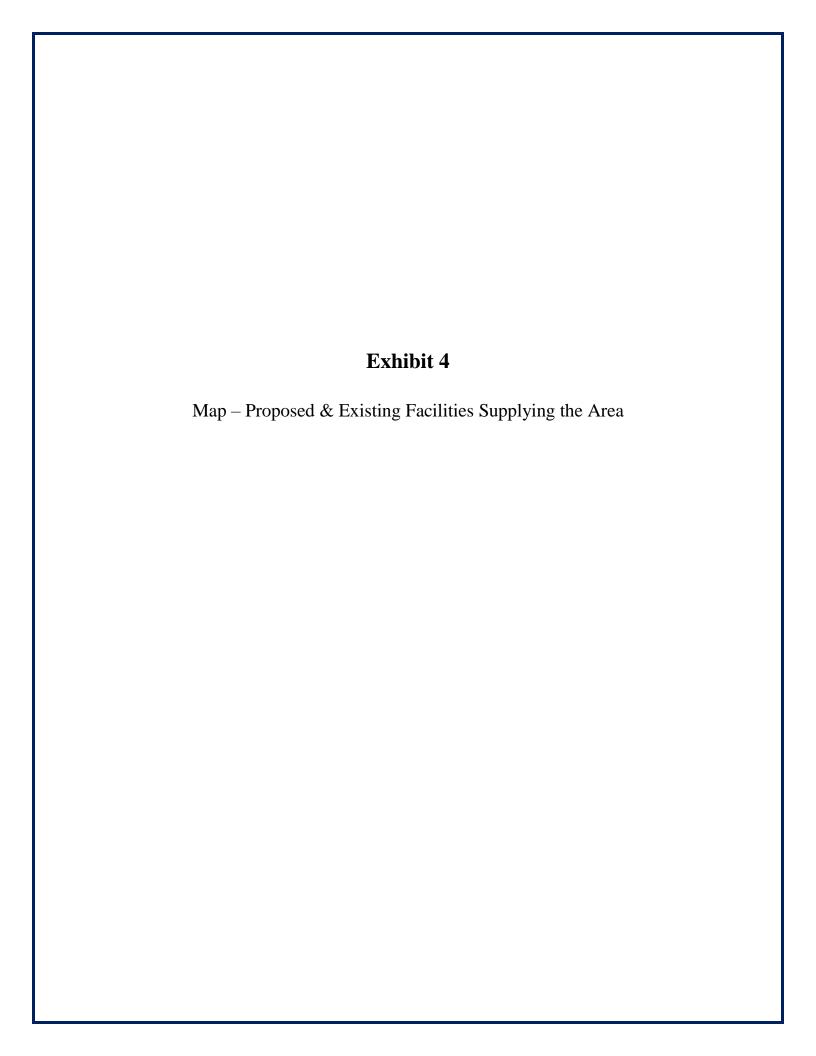
Exhibit 1 - Map - ENTEGRUS Proposed Connection











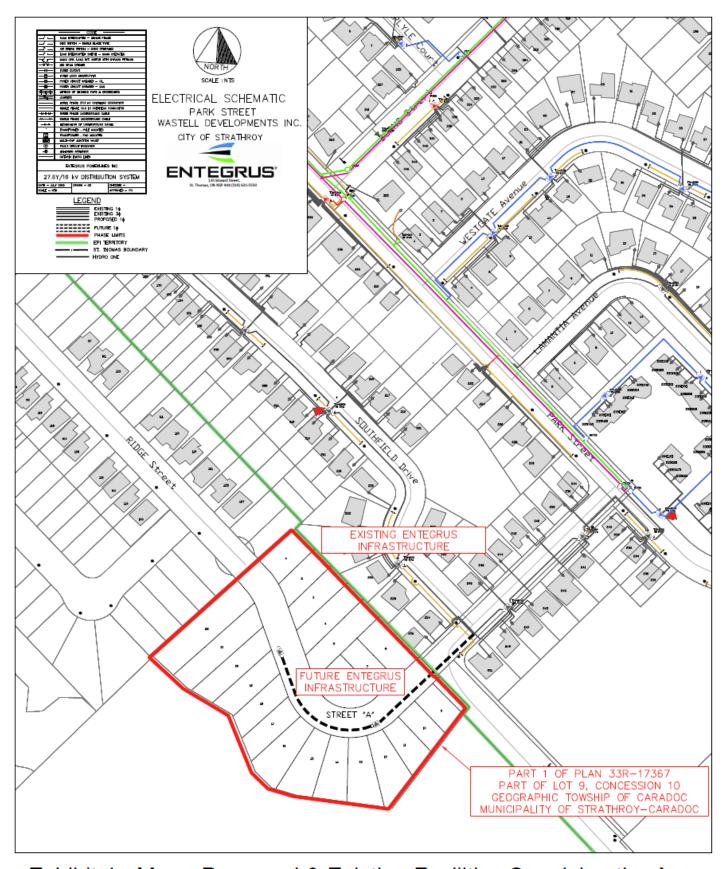
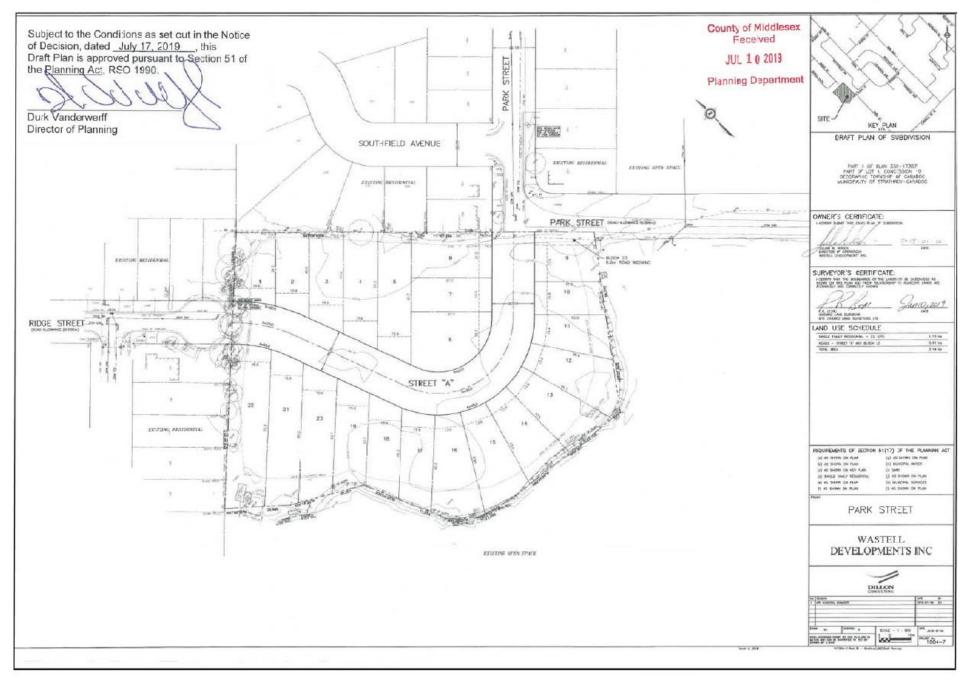


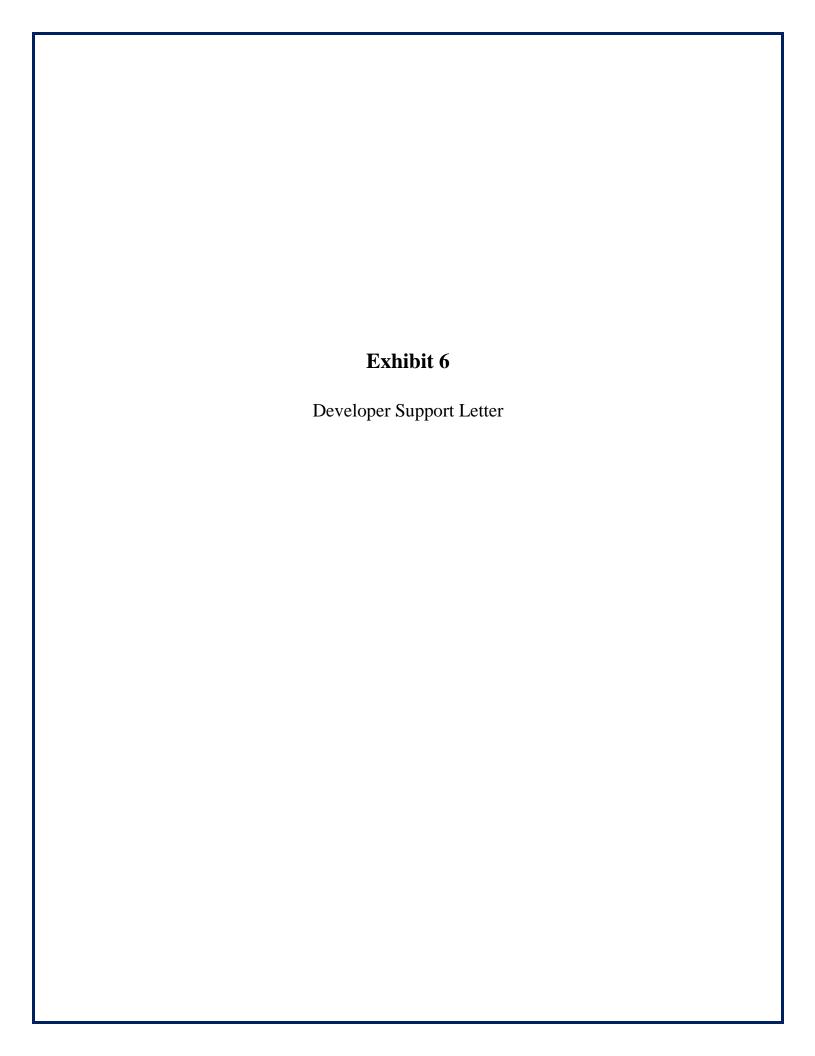
Exhibit 4 - Map - Proposed & Existing Facilities Supplying the Area

| Exhibit 5                                  |
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| Map – Park Street Wastell Development Inc. |
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# Exhibit 5 - Map - Park Street Wastell Developments Inc









August 22, 2019

**Hydro One Networks Inc.** 483 Bay St., 13th floor North Tower Toronto, ON M5G 2P5

Attention: Rossella Fazio, Program Integration Manager

Re: Service Area Amendment Request; Park St. Subdivision (Strathroy)

We are the developer and homebuilder of the new Park Street subdivision in Strathroy, Ontario. This project is a 22-lot subdivision that was recently approved by the County of Middlesex. A copy of the approved plan is attached to this letter.

Please accept this letter as our request for Hydro One to voluntarily accept and support a Service Area Amendment (SAA) for the proposed subdivision. This subdivision is immediately adjacent to the existing Southfield Subdivision in Strathroy and is a natural extension. Consequently, we would like Entegrus to be the supplier of electrical services for our subdivision.

For purposes of load calculations please assume each dwelling will have a 100 amp service and draw an average load of 636 kWh per month.

We aim to start servicing construction in fall 2019, so time is of the essence in submitting the SAA application to the Ontario Energy Board (OEB). We have copied Entegrus on this request, as they are preparing the draft application to the OEB with the request for a SAA on the basis that verbal support from you has been received. It is our desire to have the formal paperwork submitted as soon as possible. We would greatly appreciate if we could receive your letter of support by **August 30<sup>th</sup>**, **2019**.

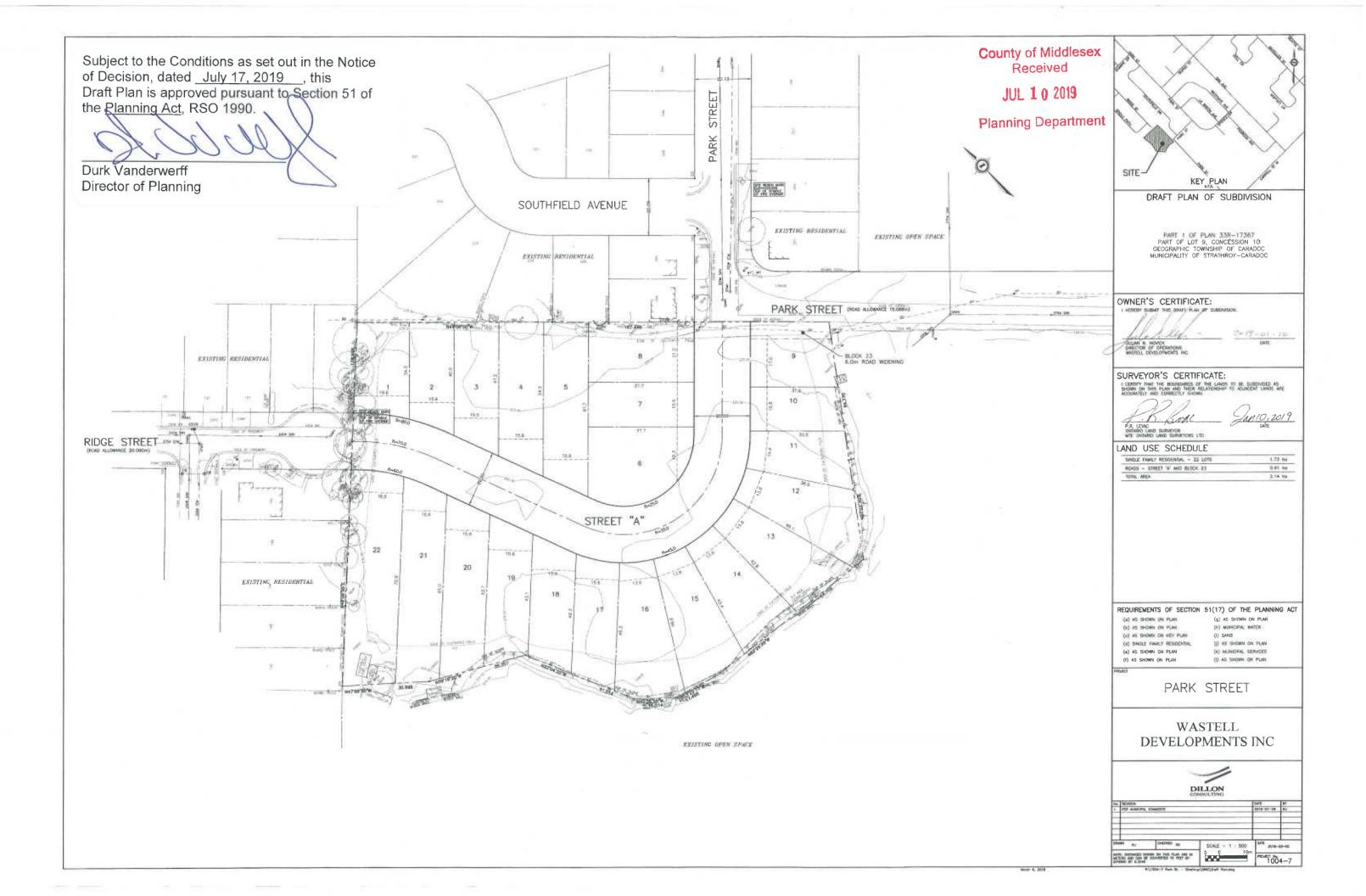
If you have any questions, please contact the undersigned at 519 850 0020.

Yours truly,

Wastell Develo

per Julian N. Novick, P.Eng Director of Operations

cc Musaab Choudhry, Hydro One Networks Account Executive Tomo Matesic, Entegrus VP of Engineering & Operations David Ferguson, Entegrus VP of Regulatory & Human Resources



| Exhibit 7                |  |
|--------------------------|--|
| Hydro One Consent Letter |  |
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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 16, 2019

Tomo Matesic, Vice President of Engineering & Operations Entegrus Powerlines Inc.
320 Queen Street,
Chatham, ON
N7M 5K2

Dear Mr. Matesic,

## Entegrus Powerlines Inc. Application for a Service Area Amendment

This is to confirm that Hydro One Networks Inc. ("Hydro One") supports your application to amend the Entegrus Powerlines Inc. ("Entegrus") Distribution Licence as proposed in Entegrus' service area amendment application. The intent of the application is to amend Entegrus' distribution licence to include the property legally described as follows in the service area amendment application:

Part 1 of Plan 33R-17367, Part of Lot 9, Concession 10, Geographic Township of Caradoc Municipality of Strathroy-Caradoc shown on the map included as Exhibit 5 of the Service Area.

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

For administrative purposes, Hydro One requests that if the OEB determines that this application is in the public interest, then Appendix B of Hydro One's licence should be amended to reflect this amendment, specifically as follows:

Name of Municipality: Township of Strathroy-Caradoc

Formerly Known As: Town of Strathroy, Township of Caradoc, as at December 31, 2000.

Area Not Served By Networks: The area served by Entegrus Powerlines Inc. described as the former Police Village of Mount Brydges (in the former Township of Caradoc), and parts of the Town of Strathroy

as more particularly set out in Licence No. ED-2002-0563 Networks assets within area not served by Networks: Yes Customer(s) within area not served by Networks: No If you have any questions or concerns, please contact Pasquale Catalano at <a href="mailto:Pasquale.Catalano@HydroOne.com">Pasquale.Catalano@HydroOne.com</a> or alternatively, via telephone, at 416-345-5405.

Sincerely,



Joanne Richardson

c/

Aarani Pathmanathan, Hydro One (electronic only)