

Service Area Amendment (SAA) Application

FESTIVAL HYDRO INC.

Distribution Licence ED-2002-0513

Submitted November 19, 2019

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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 Countryside Estates – Phase 3, with the legal description Part of Lot 5, Concession 2, City of Stratford, County of Perth, (the “Subject Area”). 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-2018-0327) which was granted to Festival by Order of the OEB in the decision dated March 21, 2019.

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 will be developed by Countryside Developments (2014) Ltd. (“Developer”), located in the City of Stratford, and is designated for residential development.

The Subject Area is generally described as Countryside Estates – Phase 3, 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 19:

19. Part of Lot 5, Concession 2, City of Stratford, County of Perth. Developed as Countryside Estates – Phase 3

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, Advisor, Regulatory Affairs
Hydro One Networks Inc.
483 Bay Street, South Tower, 7th 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:

Peter Hyde
Countryside Development (2014) Limited
P.O. Box 1010
258 Burritt Street
Stratford, ON N5A 6W4
Tel: (519) 271-1771

(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 development in the northwest end of Stratford. The existing electrical infrastructure owned by Festival can accommodate the anticipated load of approximately 145 KW (58 single family residential homes) using an existing overhead feeder along McCarthy Boulevard.
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 Festival's existing 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 Countryside Estates – Phase 3 and will be developed into a residential subdivision on land that is currently vacant. It is an extension of an existing residential subdivision that is supplied by Festival.

(d) Proposed Service Area – Maps and Diagrams:

The following maps, and diagrams are attached as schedules.

Schedule A – Draft Plan of Subdivision (Subject Area)

Schedule B – Festival Existing and Proposed Service Boundary (Overview and Detail)

Schedule C – Existing Infrastructure (Festival and Hydro One)

Schedule D – Proposed Festival Infrastructure

Collectively, these schedules 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 locations of lot lines and easements) are subject to change as the development proceeds.

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

The Subject Area is zoned residential land. When completed and fully occupied, the Subject Area will add approximately 145 kW of load to the Festival system. The Developer has requested a connection by December 2019.

The Subject Area will be supplied by installing a new underground circuit (27.6 kV) from the existing overhead infrastructure on McCarthy Road (27.6 kV), 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 the residential area to the east, north and west, however, there are currently no immediate plans to develop the adjacent lands. If the adjacent area is planned to be developed, Festival

anticipates making an additional Service Area Amendment Application(s) 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 (27.6 kV overhead circuit - owned by Festival) and Schedule D shows the new infrastructure (new 27.6 kV underground circuit – owned by Festival) will be used to supply the Subject Area.

Festival understands that the incumbent distributor (Hydro One) has infrastructure in relatively close proximity (approximately 275m) to the property on Perth Line 36 (Quinlan Road – shown on Schedule C), but would need to cross private property (farmland) to supply the development.

(b) Proximity to Distribution System:

Festival has existing assets immediately adjacent to and alongside the Subject Area. The nearest Hydro One assets are approximately 275m across private property.

(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 a short expansion of Festival's distribution system (underground conductors from McCarthy Road to 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 in the area. 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

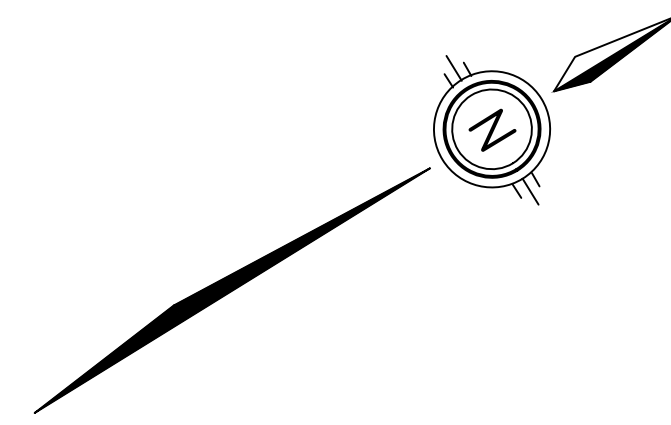
The Developer has indicated their preference to have Festival supply this Development, as noted in their letter of support attached as Schedule F.

All of which is respectfully submitted.

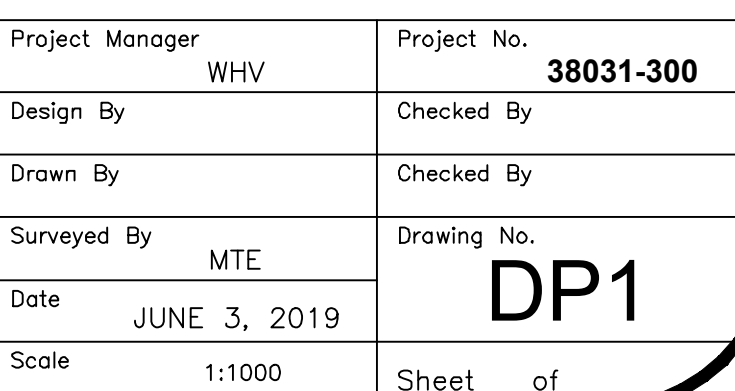
SCHEDULE A

**DRAFT PLAN OF SURVEY
(SUBJECT AREA)**

See attached

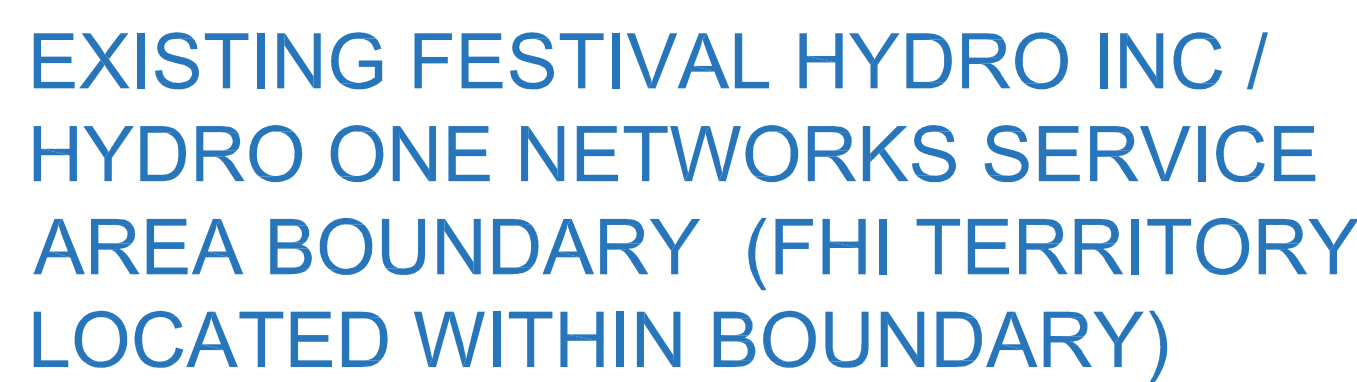
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ROADS	2.22 ha
TOTAL	13.46 ha



SCHEDULE B
FESTIVAL EXISTING AND PROPOSED SERVICE BOUNDARY

See attached



PROPOSED SERVICE AREA TO BE AMENDED BY FESTIVAL HYDRO INC

PROPOSED AREA
TO BE ADDED TO
FESTIVAL HYDRO
SERVICE
TERRITORY

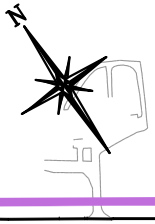
EXISTING HYDRO ONE
SERVICE AREA

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

PROPOSED
AREA TO BE
ADDED TO
FESTIVAL HYDRO
SERVICE
TERRITORY

EXISTING FHI 27.6kV
DISTRIBUTION CIRCUIT

ORR ST

FRASER DR

ROBERTSON

DAVIDSON DR

BUTLER COVE RD

McCARTHY RD W

BRADSHAW DR

GREENWOOD DR

HENRY DR

SHARMAN ST

NORWOOD

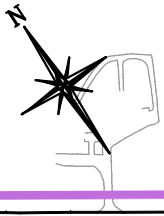
NORWOOD CT

BURWELL
RD

SCHEDULE D

PROPOSED FESTIVAL INFRASTRUCTURE

See attached



PERTH LINE 36
(FORMERLY QUINLAN RD)

EXISTING HYDRO ONE
DISTRIBUTION CIRCUITS

FHI SERVICE BOUNDARY

PROPOSED
CONNECTION
POINT FOR
SERVICING
DEVELOPMENT

EXISTING FHI 27.6kV
DISTRIBUTION CIRCUIT

ORR ST
FRASER DR

BUTLER COVE RD
ROBERTSON
DAVIDSON DR

McCARTHY RD W

BRADSHAW DR

GREENWOOD DR

HENRY DR

SHARMAN ST

NORWOOD

NORWOOD CT

BURWELL
RD

GREENWOOD

SCHEDULE E
HYDRO ONE CONSENT LETTER

See attached

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 EMAIL AND COURIER

October 22, 2019

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

Dear Mr. Semsedini,

Festival Hydro Inc. Application for a Service Area Amendment

This is to confirm that Hydro One Networks Inc. (“Hydro One”) supports your application to amend the Festival Hydro Inc. (“Festival”) Distribution Licence as proposed in Festival’s service area amendment application. The intent of the application is to amend Festival’s distribution licence to include Countryside Estates – Phase 3, in the City of Stratford that is legally described as follows in the service area amendment application:

Part of Lot 5, Concession 2, City of Stratford, County of Perth.

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

If you have any questions or concerns, please contact Pasquale Catalano at Pasquale.Catalano@HydroOne.com or alternatively, via telephone, at 416-345-5405.

Sincerely,

ORIGINAL SIGNED BY JOANNE RICHARDSON

Joanne Richardson

c/

Jeff Graham, Festival Hydro (electronic only)
Aarani Pathmanathan, Hydro One (electronic only)

SCHEDULE F
DEVELOPER SUPPORT LETTER

See attached



Countryside Development (2014) Limited

P.O. Box 1010

Stratford, ON N5A 6W4

Ph. (519) 271-1771

Fax (519) 271-2815

HST # 80640 3978

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 – Part of Lot 5, Concession 2, City of Stratford, County of Perth

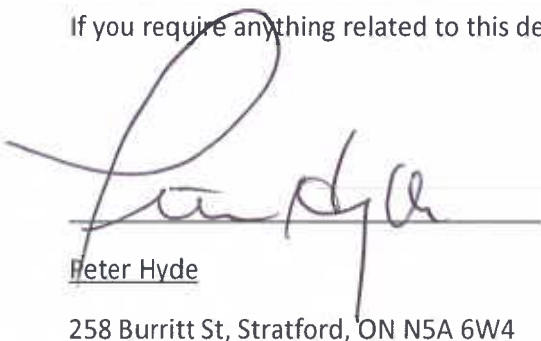
Dear Jeff:

As previously discussed, Countryside Developments (2014) Limited c/o Peter Hyde (Stratford, ON) 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 of Lot 5, Concession 2, City of Stratford, County of Perth".

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.



Peter Hyde

258 Burritt St, Stratford, ON N5A 6W4

August 19, 2019