# Service Area Amendment (SAA) Application

# ERTH Power Corporation Distribution Licence ED-2002-0516

Submitted XX, 2022

## Contents

1.	INTRODUCTION	3
2.	GENERAL	4
3.	EFFICIENT RATIONALIZATION OF THE DISTRIBUTION SYSTEM	7
4.	IMPACTS ARISING FROM THE PROPOSED AMENDMENT	9
5.	CUSTOMER PREFERENCE	10
SCHEDULE A		
SCH	IEDULE B	13
SCH	HEDULE C	15
SCH	HEDULE D	18
SCH	HEDULE E	20
SCH	IEDULE F	22
SCH	HEDULE G	24
SCH	IEDULE H	26

## **APPLICATION**

## **1. INTRODUCTION**

ERTH Power Corporation (formerly West Coast Huron Energy Inc.) ("ERTH Power") is making an Application to the Ontario Energy Board ("OEB") for the purpose of amending the licenced service area of ERTH Power as described in Schedule 1 of its distribution Licence ED-2002-0516 to include the Subject Area (as defined below), owned by 2116873 Ontario Limited (the "Developer").

In 2016, an uncontested Service Area Amendment (EB-2016-0304) as submitted to adjust the licensed service territory of ERTH Power (formerly West Coast Huron Energy) to include Phase 1 of the proposed development. Via decision EB-2016-0304 issued on November 17, 2016, ERTH Power's distribution license was amended to include the planned Phase 1 of the development, which included 26 residential lots located on Blocks 8, 9, and 10 of Part of Lot 3, Concession 1, Geographic Township of Goderich (Town of Goderich, formerly in the Municipality of Central Huron), in the County of Huron. Since that time, no construction on Phase 1 has occurred due to continuing negotiations between the Developer and the host municipality regarding storm water management and the related cost sharing. The Developer is now proceeding with construction on Phase 1 and has also made changes to the phasing plan in conjunction therewith. The Developer's revised phasing plan is set out in Schedule C to this Application.

The purpose of this Application is to amend the licensed service area of ERTH Power to include the additional areas to be developed by the Developer in their revised phasing plan, which we have described as Phase 1A in this Application. Phase 1A is designated for residential development and storm water management.

The Subject Area includes Phase 1A of the Development (as described above and illustrated in Schedule C), which is legally described as Blocks 2, 3, 5, 7, 34, 38, 39, 45 and 40 of Part of Lot 3, Concession 1, Geographic Township of Goderich, Municipality of Central Huron, County of Huron. Phase 1A includes (i) 24 residential lots on 2, 3, 5, and 7, (ii) lots 34, 38, and 40 which will be open space used for storm water management that will not require servicing, and (iii) lots 39 and 45 which is open space that will not require servicing. The Subject Area is currently within the service territory of Hydro One Networks Inc. (Hydro One), and adjacent to the ERTH Power service area, as is currently described in Schedule 1 of its distribution Licence ED-2002-0516.

For the reasons set out herein, ERTH Power respectfully submits that it is in the public interest to amend Schedule 1 of its electricity distribution license to add line 2:

2. Blocks 2, 3, 5, 7, 34, 38, 39, 40, and 45 of Part of Lot 3, Concession 1, Geographic Township of Goderich (Town of Goderich, formerly in the Municipality of Central Huron), in the County of Huron.

In considering this application, ERTH Power 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"). ERTH Power respectfully submits that this application satisfies those requirements.

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

Hydro One has agreed to consent to this SAA application (consent letter included as Schedule H) and the required expansion of ERTH Power'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.

ERTH Power 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:

Graig Pettit, General Manager ERTH Power Corporation P.O. Box 157, 143 Bell Street Ingersoll, Ontario N5C 3K5 Telephone: 519-485-1820 ext 254 Fax: 519-485-4703 Email address: graig.pettit@erthpower.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 Email address: regulatory@HydroOne.com

(There are no other alternate distributors.)

The Developer Representative:

John Kerr GM BluePlan Engineering Limited 975 Wallace Avenue North Listowel, ON N4W 1M6 Telephone 519-291-9339 Fax 519-291-5172 Email: john.kerr@gmblueplan.ca

The Registered Owner:

Rob Wood 2116873 Ontario Limited c/o C3 Group 350 Woolwich Street South Breslau, ON N0B 1M0 Telephone 519-648-2161 Fax 519-648-3505 Email: rob.wood@c3group.com

#### (b) Reasons for Amendment:

ERTH Power submits that this application should be granted because the incumbent distributor, Hydro One, has consented to this application. Moreover, ERTH Power 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 ERTH Power 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. ERTH Power 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 approximately 1km from the property. Following discussions between the two distributors, the parties concluded that ERTH Power is better positioned to service the development, and Hydro One agreed to consent to this SAA application.

4. ERTH Power'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 Lands into ERTH Power's service area will be seamless. The Subject Area Lands will be adjacent to an existing developed subdivision in Goderich that is within ERTH Power'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 Coast Development Phase 1A, and consists of 24 single-family residential lots on land that is currently vacant. Phase 1A is part of a large multi-phase development that will add approximately 315 dwellings over the coming years. ERTH is currently the service provider for Phase 1. The Developer owns the vacant land to the west, south, and east which includes land that is planned for future development. Schedule B has a map showing the full extent of property owned by the Developer. Schedule C has a map showing the boundary of Phase 1A identified.

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

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

Schedule A – Draft Plan Plan of Subdivision

- Schedule B Developer Owned Property
- Schedule C Phase 1A Boundary and Revised Phasing Plan
- Schedule D ERTH Power Existing and Proposed Infrastructure
- Schedule E ERTH Power Proposed Service Boundary
- Schedule F Hydro One Existing Infrastructure Rev 1
- Schedule G Developer Letter of Support
- Schedule H Hydro One Letter of Support

Collectively, these maps identify the Subject Area, the existing borders of ERTH Power 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 one phase of a residential subdivision, consisting of 24 lots for single detached homes. When completed and fully occupied, the Subject Area will add approximately 65 kW of load to the ERTH Power system. The Developer has requested a connection in 2021.

The Subject Area will be supplied by extending the existing ERTH Power infrastructure at the corner of Eldon Street or Warren Street via a primary underground dip and looping through the development using pad mount transformers. ERTH Power's existing 28kV system is approximately 190m away from the Subject Area. The existing and proposed infrastructure are shown in Schedule D.

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

The Site Plan in Schedule A and the map in Schedule B identify adjacent property owned by the Developer. Schedule C details the Developer's proposed phasing plan. ERTH Power anticipates making additional Service Area Amendment Applications when future phases are developed and it has considered these potential developments in planning the supply for the Subject Area.

## **3. EFFICIENT RATIONALIZATION OF THE DISTRIBUTION SYSTEM**

ERTH Power 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 from Eldon Street (27.6 kV feeder 31M14) will be extended from a dip pole to the east end of the development. The 31M14 feeder has ample capacity to supply the new load.

ERTH Power understands that Hydro One would supply this development by extending a new section of feeder (single phase) from Bayfield Road (to the east), across private property for approximately 1 km to reach the development. The nearest three phase line is even further away.

(b) Proximity to Distribution System:

ERTH Power has existing 28kV assets within close proximity (190m) of Phase 1A of this development and 4.8kV assets within 40m as noted in Schedule D. The nearest Hydro One assets (single phase 4.8kV) are located on Bayfield Road, approximately 1000m from the development. The nearest three phase supply point is even further away, approximately 630m south of the intersection of Dechert Road and Bayfield Road. The proximity of Hydro One assets are shown in Schedule F.

#### (c) Fully Allocated Connection Costs:

In 2016, to assess the fully allocated connection costs for ERTH Power and Hydro One to service Phase 1 were reviewed jointly by both distributors to ensure an even comparison for the original proposal. These costs were used to prepare the Offers to Connect for Phase 1. The fully allocated connection costs for ERTH Power to service Phase 1 were substantially less than the equivalent costs for Hydro One.

The fully allocated connection costs associated with ERTH Power and Hydro One servicing both Phase 1 and Phase 1A are not expected to be materially different than servicing Phase 1 alone. Accordingly, ERTH Power's fully allocated connection costs are expected to be 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 ERTH Power's distribution system.

(f) Cost-Effectiveness of Future Expansions:

The infrastructure proposed by ERTH Power will adequately supply the 24 residential lots expected in the Service Area (Phase 1A).

#### (g) Cost-Effectiveness of Improvements and Upgrades:

The infrastructure proposed by ERTH Power 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. The Developer supports the proposed amendment. There are no other customers affected.

#### (b) <u>Description of Impacts – Customer Impacts Within Subject Area</u>:

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) <u>Description of Impacts – Customer Impacts Outside Subject Area</u>:

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:

The additional revenue from the new customers will have a favourable impact on costs and rates for ERTH Power, 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) <u>Description of Impacts – Transferred Assets</u>:

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

(g) <u>Description of Impacts – Transferred Customers</u>:

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) <u>Description of Impacts – New Load Transfers or Retail Points</u>:

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

(j) <u>Evidence of Consideration and Mitigation of Impacts – Written Confirmation of Full</u> <u>Disclosure</u>:

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

(k) <u>Evidence of Consideration and Mitigation of Impacts – Consent of Incumbent</u> <u>Distributor</u>:

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

(I) Evidence of Consideration and Mitigation of Impacts - Consent of Developer:

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

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

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

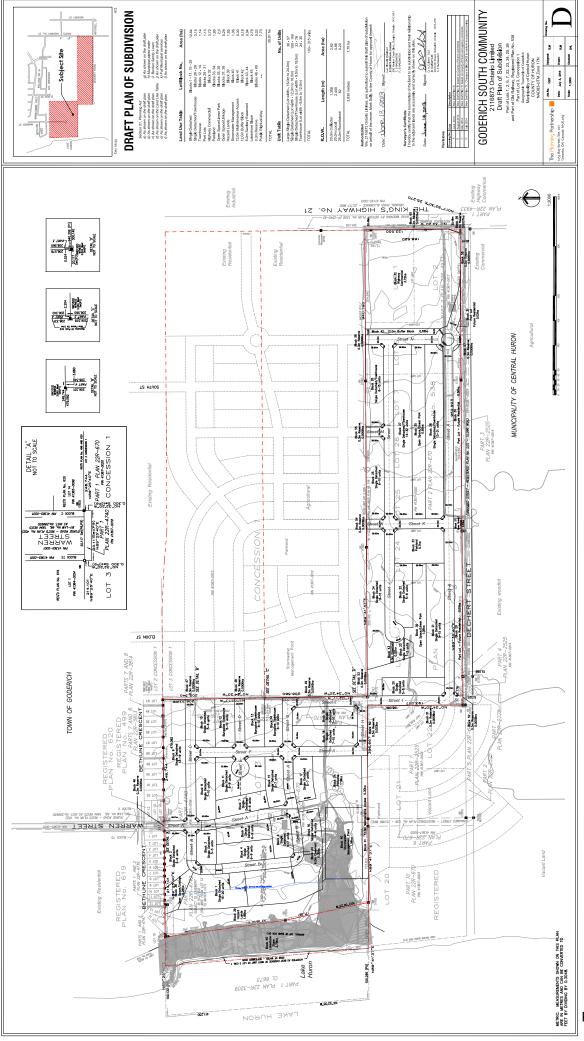
## **5. CUSTOMER PREFERENCE**

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

#### All of which is respectfully submitted.

## SCHEDULE A

## **Draft Plan of Subdivision**



Page 12 of 27

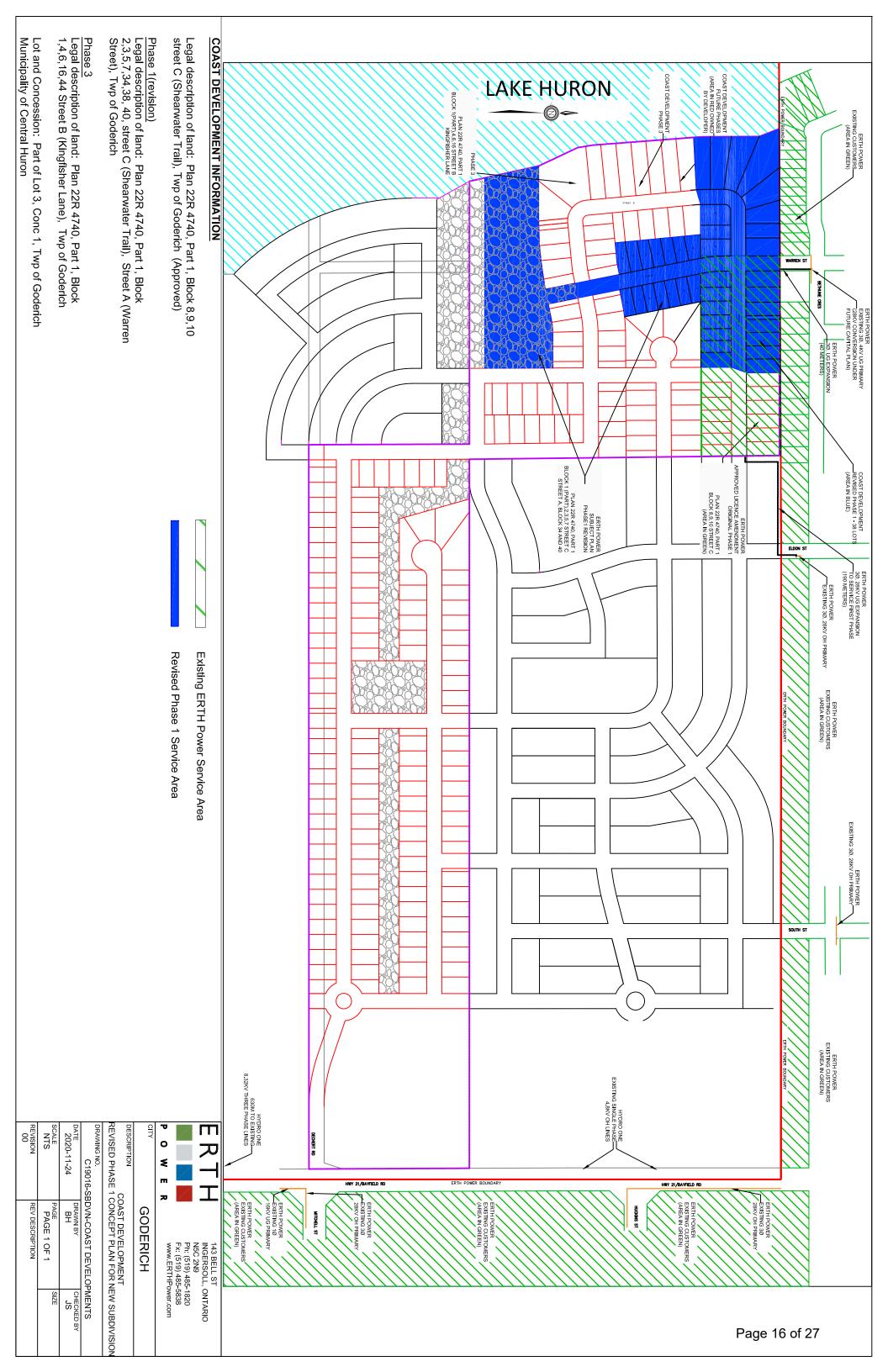
## SCHEDULE B

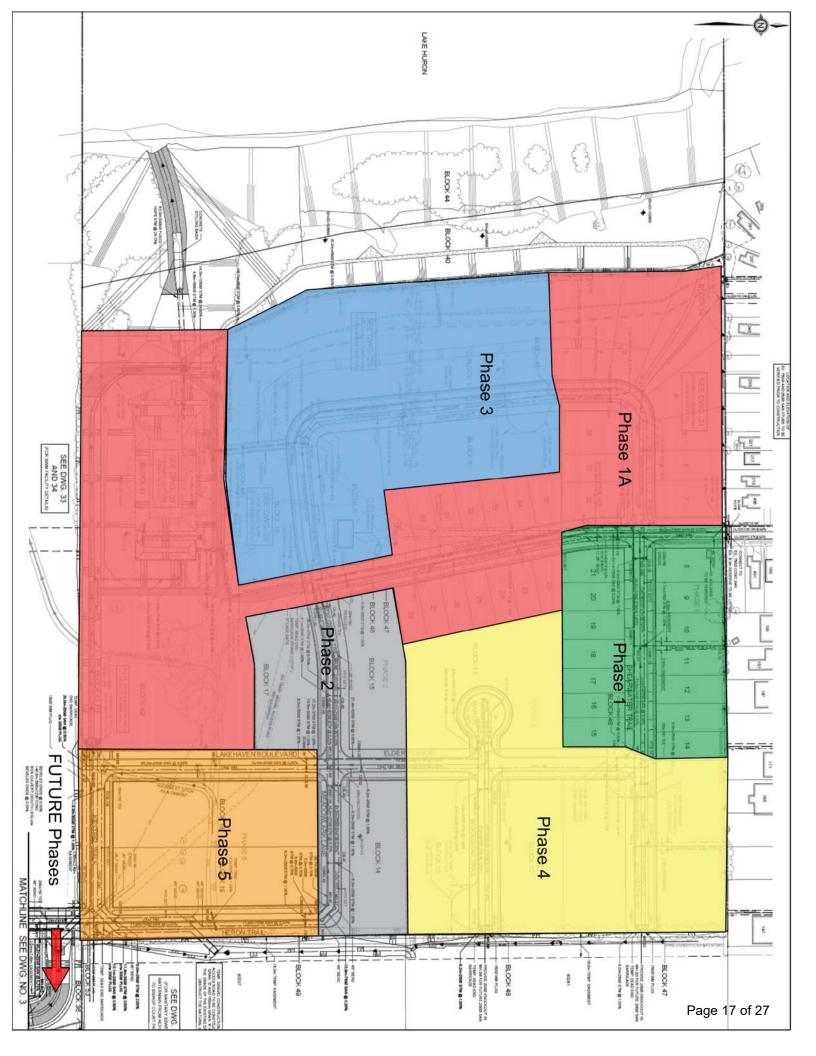
# **Developer Owned Property**



## SCHEDULE C

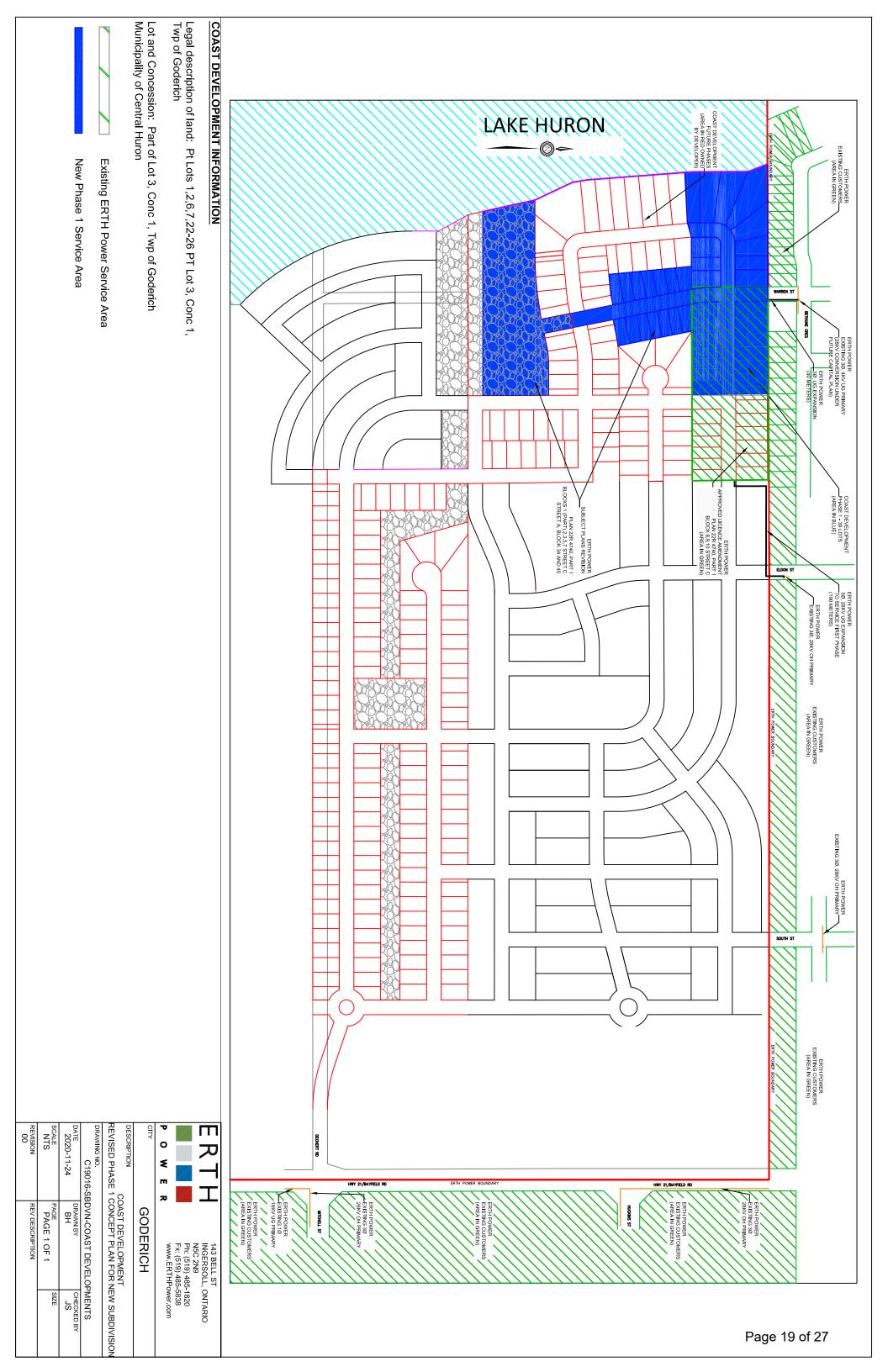
# Phase 1A Boundary and Revised Phasing Plan





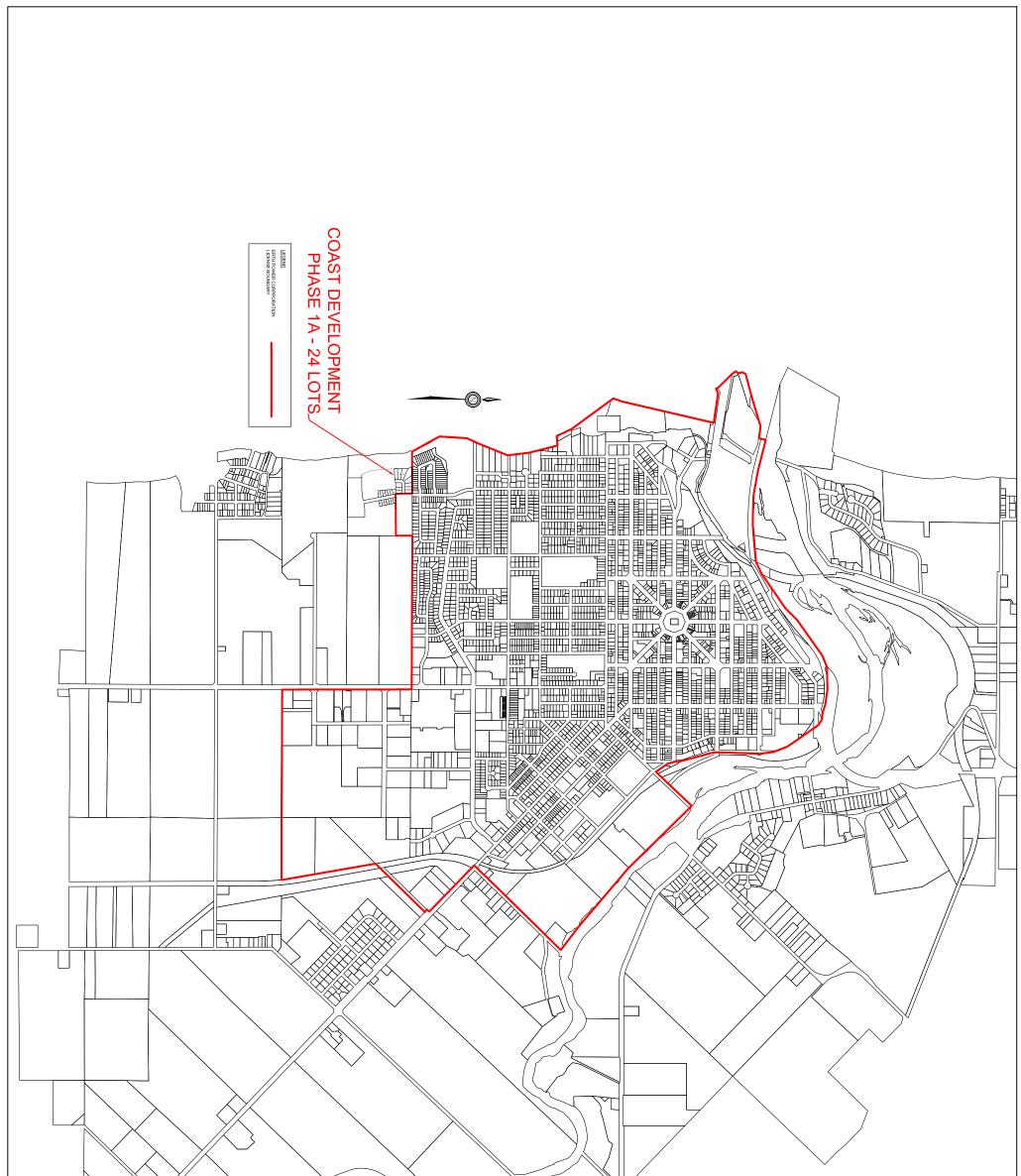
## SCHEDULE D

# ERTH Power Existing and Proposed Infrastructure



## SCHEDULE E

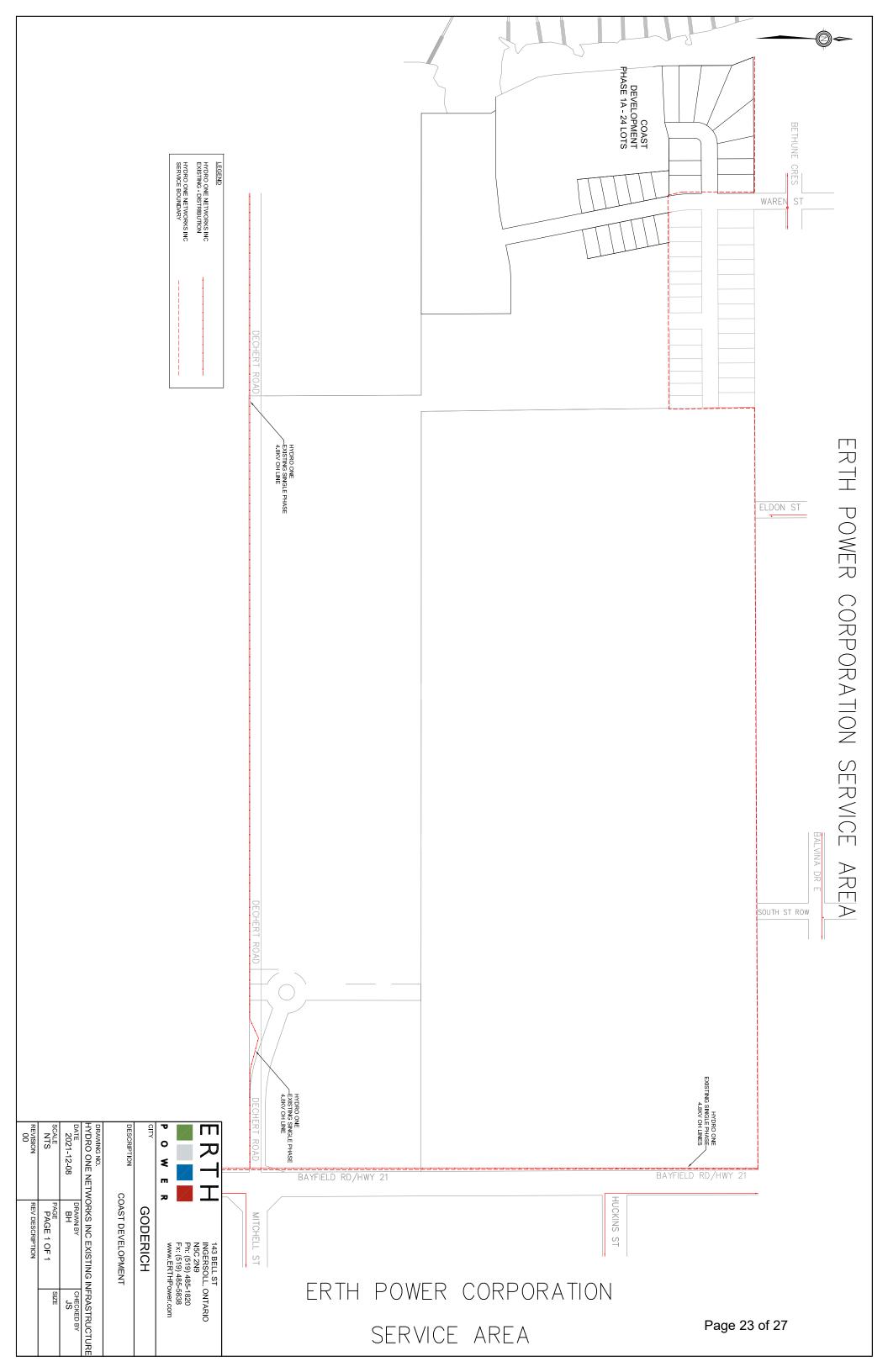
ERTH Power Proposed Service Boundary



CITY PORAWING NO. DRAWING NO. DRAWING NO. EXISTING : CO DATE 2021-12-08 REVISION REVISION REVISION CO		
GODERICH COAST DEVELOPMENT SERVICING BH PAGE 1 OF 1 REV DESCRIPTION		
-, ONTARIO 5-54820 5-5638 Power.com Ower.com CHECKED BY JS SIZE	Page 21 of 27	

## SCHEDULE F

# Hydro One Existing Infrastructure Rev 1



## SCHEDULE G

**Developer Letter of Support** 

March 9, 2021

Graig Pettit ERTH Power, General Manager 143 Bell St. Ingersoll ON, N5C 3K5

#### Re: Coast Developments, Phase 1 – Service Area Amendment

Dear Mr. Pettit:

We are the developers of the residential subdivision known as Coast Goderich, located inside of the south municipal boundary of the Town of Goderich. We previously provided a letter of support for Goderich Hydro (currently ERTH Power) on September 7, 2016 to pursue a Service Area Amendment for Phase 1 of our development. Since that time, no construction has occurred within the development and minor changes to the original, Phase 1 design have occurred. As such, a small portion of the new design is not included in the ERTH Power service territory approved under the original SAA.

It is our preference to have ERTH Power as the distributor for this subdivision. This new development abuts an existing residential area already supplied by ERTH power and it would be logical for ERTH power to extend their electrical system to connect these new customers.

We are aware that ERTH Power must apply to the Ontario Energy Board for a Service Area Amendment to allow them to be the distributor for this development. This letter confirms our support of the updated Service Area Amendment application to include the entirety of this development within the Service Area of ERTH Power.

Yours truly,

1695538 Ontario Inc.

Rob Wood, P.Eng. President +1-519-497-9647

Page 25 of 27

## SCHEDULE H

Hydro One Letter of Support

Hydro One Networks Inc.

7<sup>th</sup> Floor, South Tower 483 Bay Street Toronto, Ontario M5G 2P5 www.HydroOne.com

Fax: (416) 345-5866

**Joanne Richardson** Director – Major Projects and Partnerships **Regulatory Affairs** 

Tel: (416) 345-5393 Joanne.Richardson@HydroOne.com



**BY EMAIL** 

March 9, 2022

Graig Pettit, General Manager **ERTH** Power Corporation Graig.Pettit@erthpower.com P.O. Box 157, 143 Bell Street Ingersoll, Ontario N5C 3K5

Dear Mr. Pettit:

#### **ERTH Power Corporation Application for Licence Amendment**

This is to confirm that Hydro One Networks Inc. ("Hydro One") supports your application to amend the Distribution Licence of ERTH Power Corporation ("ERTH Power") as proposed in ERTH Power's service area amendment application. The intent of the application is to amend ERTH Power's distribution licence to include the lands described as:

Blocks 2, 3, 5, 7, 34, 38, 39, 40, and 45 of Part of Lot 3, Concession 1, Geographic Township of Goderich (Town of Goderich, formerly in the Municipality of Central Huron), in the County of Huron.

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

Sincerely,

Joanne Richardson

Tyler Moore, ERTH Power cc. Dhaval Patel, Hydro One Networks Inc.