

Hydro One Networks Inc.

483 Bay Street 7th Floor South Tower Toronto, Ontario M5G 2P5 HydroOne.com

Joanne Richardson

Director, Major Projects and Partnerships C 416.902.4326 Joanne.Richardson@HydroOne.com

BY EMAIL AND RESS

January 18, 2023

Ms. Nancy Marconi Registrar Ontario Energy Board Suite 2700, 2300 Yonge Street P.O. Box 2319 Toronto, ON M4P 1E4

Dear Ms. Marconi,

Service Area Amendment Application for Hydro One Networks Inc. to connect a customer located at the Lake Nipigon First Nation Reserve

Hydro One Networks Inc. ("Hydro One") is submitting this Service Area Amendment ("SAA") application to the Ontario Energy Board ("OEB") to request to amend Hydro One's Distribution Licence (ED-2003-0043) to formally include Animbiigoo Zaagi'gan Anishinaabek ("AZA") First Nation in Hydro One's defined service territory. Animbiigoo Zaagi'gan Anishinaabek First Nation has provided their support to Hydro One as their distributor via Band Council Resolution (included as Attachment 3). The subject area is not part of any distributor's licence and no other distributor, other than Hydro One, is located in vicinity of the service area. This application is being made specifically for the purpose of formally reflecting Hydro One servicing AZA First Nation community located at the Lake Nipigon First Nation Reserve.

Should you have any questions on this application, please contact Mark Ciufo at (416) 345-5905 or via email at <u>Mark.Ciufo@HydroOne.com</u>.

An electronic copy of this application has been submitted using the Board's Regulatory Electronic Submission System.

Sincerely,

Joanne Richardson

CC – Dhaval Patel

Service Area Amendment Application

Hydro One Networks Inc. And Animbiigoo Zaagi'gan Anishinaabek First Nation

January 18, 2023

7.0 INTRODUCTION

This application for a Service Area Amendment is structured and follows the minimum filing requirement for SAA assigned by the Ontario Energy Board. The section numbers follow the filing requirement of the base reference.

Hydro One Networks Inc. ("Hydro One") is submitting this Service Area Amendment ("SAA") application to the Ontario Energy Board ("OEB") to request to amend Hydro One's Distribution Licence (ED-2003-0043) to formally include Animbiigoo Zaagi'gan Anishinaabek ("AZA") First Nation in Hydro One's defined service territory. Animbiigoo Zaagi'gan Anishinaabek First Nation has provided their support to Hydro One as their distributor via Band Council Resolution (included as Attachment 3). The subject area is not part of any distributor's licence and no other distributor, other than Hydro One, is located in vicinity of the service area. This application is being made specifically for the purpose of formally reflecting Hydro One servicing AZA First Nation community located at the Lake Nipigon First Nation Reserve.

For the reasons set out herein, Hydro One respectfully submits that it is in public interest to amend the Schedule 1, Appendix B, TAB 2 FIRST NATIONS RESERVES to add:

Reserve Name:	Lake Nipigon First Nation Reserve
Band Name:	Animbiigoo Zaagi'gan Anishinaabek First Nation

7.1 BASIC FACTS

GENERAL

7.1.1 (a)

Provide the contact information for the applicant Contact information includes the name, postal address, telephone number, and, where available, the email address and fax number of the person

The Applicant:

Hydro One Networks Inc.

Mark Ciufo Regulatory Analyst, Regulatory Affairs 483 Bay Street, 7th Floor, South Tower Toronto, ON M5G 2P5 Phone: (416) 345-5905 Email: Regulatory@HydroOne.com

7.1.1 (b)

Provide the contact information for the incumbent distributor Contact information includes the name, postal address, telephone number, and, where available, the email address and fax number of the person

Animbiigoo Zaagi'gan Anishinaabek First Nation

Alice Sasines, Community Planner Animbiigoo Zaagi'igan Anishinaabek Phone: 807-875-2785 Fax: 807-875-2786 Cell: 807-632-2433 Email: asasines@aza.ca

7.1.1 (c)

Provide every affected customer, landowner, and developer in the area that is the subject of the SAA Application Contact information includes the name, postal address, telephone number, and, where available, the email address and fax number of the person

The affected customers would be all customers that reside within the Animbiigoo Zaagi'gan Anishinaabek First Nation.

7.1.1 (d) & (e)

Provide any alternate distributor other than the applicant and the incumbent distributor, if there are any alternate distributors bordering on the area that is the subject of the SAA application; and any representative of the persons listed above including, but not limited to, a legal representative

There are no alternate distributors.

7.1.2 REASONS FOR APPROVAL OF THIS AMENDMENT

Indicate the reasons why this amendment should occur and identify any load transfers eliminated by the proposed SAA.

The amendment is necessary to formally reflect that Hydro One services AZA First Nation through Hydro One's electricity system. At the time of the connection request, existing Hydro One distribution infrastructure was closest to the development area with no other distributor in vicinity to the area. The work to connect the AZA First Nation community was completed in 2020 and has been energized by Hydro One since December 2020.

The proposed SAA has been agreed to by Hydro One and AZA First Nation.

No load transfers were eliminated by the proposed SAA.

DESCRIPTION OF PROPOSED SERVICE AREA

7.1.3

Provide a detailed description of the lands that are the subject of the SAA application. For SAA applications dealing with individual customers, the description of the lands should include the lot number, the concession number, and the municipal address of the lands. The address should include the street number, municipality and/or county, and postal code of the lands.

For SAA applications dealing with general expansion areas, the description of the lands should include the lot number and the concession number of the lands, if available, as well as a clear description of the boundaries of the area (including relevant geographical and geophysical features).

The Subject land is located at Lake Nipigon Ojibway First Nation Reserve. As a point of reference, the lands are located beside Partridge Lake and approximately 11 km east of the community of Jellicoe, and approximately 50 km east of the community of Beardmore along Highway 11.

7.1.4

Provide one or more maps or diagrams of the area that is the subject of the SAA application.

See Attachment 1 - Map

7.1.4 (a)

Borders of the applicant's service area

See Attachment 2 - Map

7.1.4 (b)

Borders of the incumbent distributor's service area

N/A – The area is not part of any distributor's licence.

7.1.4 (c)

Borders of any alternate distributor's service area

N/A – there are no alternate distributors surrounding this area.

7.1.4 (d)

Territory surrounding the area for which the applicant is making SAA application

See Attachment 2 - Map

7.1.4 (e)

Geographical and geophysical features of the area including, but not limited to, rivers and lakes, property borders, roads, and major public facilities

See Attachment 2 - Map

7.1.4 (f)

Existing facilities supplying the area that is the subject of the SAA application, if applicable, as well as the proposed facilities which will be utilized by the applicant to supply the area that is the subject of the SAA application (Note: if the proposed facilities will be utilized to also provide for expansion of load in the area that is the subject of the SAA application, identify that as well)

There were no existing distribution infrastructure in the area at the time of connection.

DISTRIBUTION INFRASTRUCTURE IN AND AROUND THE PROPOSED AMENDMENT AREA

7.1.5

Provide a description of the proposed type of physical connection (i.e., individual customer; residential subdivision, commercial or industrial development, or general service area expansion).

The AZA First Nation community includes 6 residential units at this time. The community plans to construct a total of 68 units within a 20-year time frame. Please visit AZA First Nation community website for further information (<u>www.aza.ca</u>).

7.1.6

Provide a description of the applicant's plans, if any, for similar expansions in lands adjacent to the area that is the subject of the SAA application. Provide a map or diagram showing the lands where expansions are planned in relation to the area that is the subject of the SAA application.

The community is being fed by Hydro One's existing Jellicoe DS#3 F1 feeder, which was approximately 5.6 km from the connection point at the time of connection. Hydro One required a 7 km conversion of single phase to three phase and installation of 5.6 km of new 3 phase line construction to bring the supply to the community – See Attachment 2.

7.2 EFFICIENT RATIONALIZATION OF THE DISTRIBUTION SYSTEM

The proposed SAA will be evaluated in terms of rational and efficient service area realignment. This evaluation will be undertaken from the perspective of economic (cost) efficiency as well as engineering (technical) efficiency.

Applicants must demonstrate how the proposed SAA optimizes the use of existing infrastructure. In addition, applicants must indicate the long term impacts of the proposed SAA on reliability in the area to be served and on the ability of the system to meet growth potential in the area. Even if the proposed SAA does not represent the lowest cost to any particular party, the proposed SAA may promote economic efficiency if it represents the most effective use of existing resources and reflects the lowest long run economic cost of service to all parties.

7.2.1 ECONOMIC AND ENGINEERING EFFICIENCY

In light of the above, provide a comparison of the economic and engineering efficiency for the applicant and the incumbent distributor to serve the area that is the subject of the SAA application. (NOTE: (a), (b), (c), (d), (e), (f), (g), (h))

7.2.1 (a)

Location of the point of delivery and the point of connection

Hydro One's point of delivery is from the Jellicoe DS#3 F1 feeder. The point of connection is shown in Attachment 2 – Existing Infrastructure prior to connection and completed expansion work for the connection.

7.2.1 (b)

Proximity of the proposed connection to an existing, well developed electricity distribution system

The proposed new connection was 5.6 km from Hydro One's existing distribution system.

7.2.1 (c)

The fully allocated connection costs for supplying the customer (i.e., individual customers or developers) unless the applicant and the incumbent distributor provide a reason why providing the fully allocated connection costs is unnecessary for the proposed SAA (Note: the Board will determine if the reason provided is acceptable).

The connection work has been completed and AZA communities have paid all costs in accordance with the DSC. The fully allocated cost for supplying this subdivision underpinning the connection agreement was \$2,410,106.57.

7.2.1 (d)

The amount of any capital contribution required from the customer

Please refer to 7.2.1 (c).

7.2.1 (e)

Costs for stranded equipment (i.e., lines, cables, and transformers) that would need to be deenergized or removed

There will be no stranded equipment as a result of this SAA.

7.2.1 (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 work resulted in the new supply to the AZA community. In the absence of supply, there is no previous data to compare the reliability impact on the community. Hydro One was able to supply economically reliable supply to AZA First Nation, which in general, shall improve reliability in comparison with stand-alone generators or other means for electricity.

7.2.1 (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

Not applicable; Hydro One does not have plans for expansion beyond this community connection in this area.

7.2.1 (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.

Please refer to 7.2.1 (g)

7.3 IMPACTS ARISING FROM THE PROPOSED AMENDMENT

Description of Impacts 7.3.1

Identify any affected customers or landowners.

See 7.1.1(c).

7.3.2

Provide a description of any impacts on costs, rates, service quality, and reliability for customers in the area that is the subject of the SAA application that arise as a result of the proposed SAA. If an assessment of service quality and reliability impacts cannot be provided, explain why.

AZA community has identified a plan together to develop the land as their home community. AZA community is planning for a total of 68 units including units for various community services. Prior to the connection work completed by Hydro One, there were no electricity distribution infrastructure available in the area. Hydro One being the only distributor in the area and closest to the subject location, provides the most economical connection to the community. The community is enjoying similar reliability and service quality as other Hydro One customer connected on Jellicoe DS # 3 F1 Feeder.

7.3.3

Provide a description of any impacts on costs, rates, service quality, and reliability for customers of any distributor outside the area that is the subject of the SAA application that arise as a result of the proposed SAA. If an assessment of service quality and reliability impacts cannot be provided, explain why.

No customers of another distributor will be affected by the proposed SAA application.

7.3.4

Provide a description of the impacts on each distributor involved in the proposed SAA. If these impacts have already been described elsewhere in the application, providing cross-references is acceptable.

Approval of this SAA is not expected to have any impact on any other distributor.

7.3.5

Provide a description of any assets which may be stranded or become redundant if the proposed SAA is granted.

The proposed SAA will not strand any assets, nor will any assets be made redundant.

7.3.6

Identify any assets that are proposed to be transferred to or from the applicant. If an asset transfer is required, has the relevant application been filed in accordance with section 86 of the Act? If not, indicate when the applicant will be filing the relevant section 86 application.

N/A

Identify any customers that are proposed to be transferred to or from the applicant.

See Section 7.1.1 (c)

7.3.8

Provide a description of any existing load transfers or retail points of supply that will be eliminated.

N/A

7.3.9

Identify any new load transfers or retail points of supply that will be created as a result of the proposed SAA. If a new load transfer will be created, has the applicant requested leave of the Board in accordance with section 6.5.5 of the Distribution System Code ("DSC")? If not, indicate when the applicant will be filing its request for leave under section 6.5.5 of the DSC with the Board. If a new retail point of supply will be created, does the host distributor (i.e., the distributor who provides electricity to an embedded distributor) have an applicable Board approved rate? If not, indicate when the host distributor will be filing an application for the applicable rate.

N/A

EVIDENCE OF CONSIDERATION AND MITIGATION OF IMPACTS

7.3.10

Provide written confirmation by the applicant that all affected persons have been provided with specific and factual information about the proposed SAA. As part of the written confirmation, the applicant must include details of any communications or consultations that may have occurred between distributors regarding the proposed SAA.

See Attachment 3 – Band Council Resolution

7.3.11

Provide a letter from the incumbent distributor in which the incumbent distributor indicates that it consents to the application.

N/A

7.3.12

Provide a written response from all affected customers, developers, and landowners consenting to the application, if applicable.

See Attachment 3 – Band Council Resolution

Provide evidence of attempts to mitigate impacts where customer and/or asset transfers are involved (i.e., customer rate smoothing or mitigation, and compensation for any stranded assets).

N/A

7.4 CUSTOMER PREFERENCE

7.4.1

An applicant who brings forward an application where customer choice may be a factor must provide a written statement signed by the customer (which includes landowners and developers) indicating the customer's preference.

See Attachment 3 – Band Council Resolution

7.5 ADDITIONAL IMFORMATION REQUIREMENTS FOR CONTESTED APPLICATIONS

If there is no agreement among affected persons regarding the proposed SAA, the applicant must file the additional information set out below.

N/A

7.5.1

If the application was initiated due to an interest in service by a customer, landowner, or developer, evidence that the incumbent distributor was provided an opportunity to make an offer to connect that customer, landowner, or developer.

N/A

7.5.2

Evidence that the customer, landowner, or developer had the opportunity to obtain an offer to connect from the applicant and any alternate distributor bordering on the area that is the subject of the SAA application.

N/A

7.5.3

Actual copies of, as well as a summary of, the offer(s) to connect documentation (including any associated financial evaluations carried out in accordance with Appendix B of the Distribution System Code). The financial evaluations should indicate costs associated with the connection including, but not limited to, on-site capital, capital required to extend the distribution system to the customer location, incremental up-stream capital investment required to serve the load, the present value of incremental OM&A costs and incremental taxes as well as the expected incremental revenue, the amount of revenue shortfall, and the capital contribution requested.

N/A

7.5.4

If there are competing offers to connect, a comparison of the competing offers to connect the customer, landowner, or developer.

N/A

7.5.5

A detailed comparison of the new or upgraded electrical infrastructure necessary for each distributor to serve the area that is the subject of the SAA application, including any specific proposed connections.

N/A

7.5.6

Outage statistics or, if outage statistics are not available, any other information regarding the reliability of the existing line(s) of each distributor that are proposed to supply the area that is the subject of the SAA application.

N/A

7.5.7

Quantitative evidence of quality and reliability of service for each distributor for similar customers in comparable locations and densities to the area that is the subject of the SAA application.

N/A

7.6 OTHER

It is the sole responsibility of the Applicant to provide all information that is relevant and that would assist the Board in making a determination in this matter. Failure to provide key information may result in a delay in the processing of the application or in the denial of the application.

7.7 WRITTEN CONSENT/JOINT AGREEMENT

Hydro One Networks Inc. agrees to all the statements made in this application.

Joanne Richardson Director – Major Projects and Partnerships Hydro One Networks Inc.

Dated: January 18, 2023

7.8 REQUEST FOR NO HEARING

Does the applicant request that the application be determined by the Board without a hearing? If yes, please provide:

(a) an explanation as to how no person, other than the applicant and the proposed recipient, will be adversely affected in a material way by the outcome of the proceeding AND

(b) the proposed recipient's written consent to the disposal of the application without a hearing.

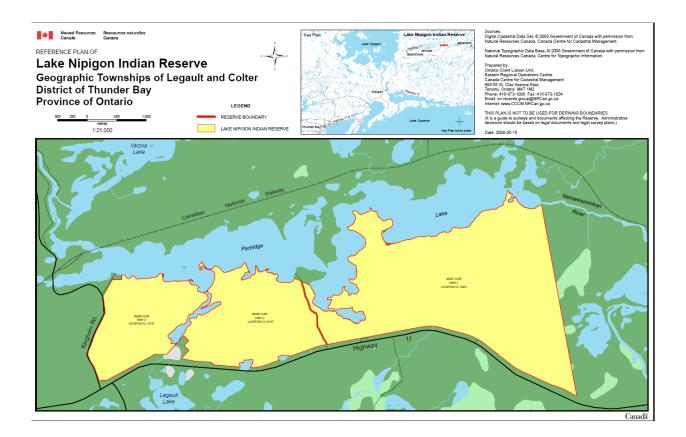
Yes, Hydro One provides consent to the disposal of this application without a hearing. Hydro One has already connected the AZA FN and has been servicing the community since 2020. The intent of this amendment is solely to have the HONI distribution licence reflect the facilities in the ground in the area. No other distributor or ratepayers are impacted by this requested service area amendment application.

Joanne Richardson Director – Major Projects and Partnerships Hydro One Networks Inc.

Dated: January 18, 2023

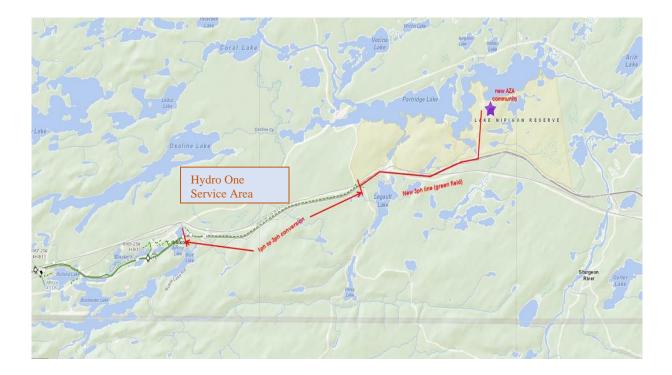
Attachment 1:

Map



Attachment 2:

Existing Infrastructure and Proposed Plan



Attachment 3:

Band Council Resolution



Animbiigoo Zaagi'igan Anishinaabek Lake Nipigon Reserve P.O. Box 120 Beardmore, ON P0T 1G0

BAND COUNCIL RESOLUTION

Chronological no.	22-23-026	File reference no.

NOTE: The words "from our Band Funds" "capital" or "revenue", whichever is the case, must appear in all resolutions requesting expenditures from Band Funds.

		Cash free balance
Animbiigoo	Capital account S	
Date of duly convened meeting	D M Y Province 15 08 2022 ONTARIO	Revenue account \$

Whereas; the Chief and Council of Animbiigoo Zaagi'igan Anishinaabek is the duly elected body to represent the Membership of Animbiigoo Zaagi'igan Anishinaabek; and

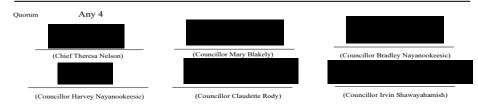
Whereas; Animbiigoo Zaagi'igan Anishinaabek is beginning its physical development stage and as such has the need for power supply into the community; and

Whereas; Animbiigoo Zaagi'igan Anishinaabek has developed a working relationship with Hydro One; and

Whereas: Animbiigoo Zaagi'igan Anishinaabek has a Blanket Permit Agreement with Hydro One allowing Hydro One access to the hydro corridor to perform work as needed on the power line; and

And Whereas: Hydro One has completed the installation of hydro lines to the community of Lake Nipigon Reserve;

Therefore, **be it resolved that:** Chief and Council consent to Hydro One to be their distributor and supply Lake Nipigon Reserve with electrical power.



FOR DEPARTMENTAL USE ONLY Expenditure Authority (Indian Act Sec ce of fur ce of fi Expend Authority an Act Section (India Capital Capital Revenue C Revenue Recom nending office Reco mending officer Date Signat Date Sig Approving officer Approving officer Date