

**Hydro One Networks Inc.**

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**LAW**

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**BY EMAIL AND RESS**

July 21, 2023

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

Dear Ms. Marconi:

**Re: EB-2022-0178 – Entegrus Application for a Service Area Amendment  
("Application") – HONI Response to Entegrus Powerlines IR #1**

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Hydro One Networks Inc.'s distribution business ("Hydro One Distribution") is providing this response in accordance with Procedural Order No. 5 dated July 18, 2023 issued by the OEB. For the purposes of this answer, Hydro One will be referring to Hydro One's transmission business unit as "Hydro One Transmission" for the purposes of delineating between the licensee's different obligations.

**Please describe all breaker position slots at Edgeware TS, including:**

- i. if any of the capacity is reserved, please provide an explanation of who the capacity is reserved for and why, as well as the reserve allocation in MW and MVA.**

No capacity is reserved on the unbuilt breaker positions at Edgeware TS.

No transmitter in Ontario (including Hydro One Transmission) is permitted to reserve capacity under the Transmission System Code ("TSC"). Capacity is either assigned or

contracted pursuant to the requirements of the TSC and each transmitter's Board-approved Transmission Connection Procedures. For reference, both are defined in the TSC (Section 2 "Definitions") as follows:

"contracted capacity" means, in relation to a load customer and a connection facility, the capacity determined in accordance with section 6.2.3;

"assigned capacity" means, in relation to a load customer and a connection facility, the capacity determined in accordance with section 6.2.2.

Assigned capacity is to be allocated by Hydro One Transmission on a first-come first-served basis as per 6.2.10 of the TSC.

For completeness, the TSC also speaks to "available capacity". "Available capacity" means, at a given time, the capacity on a connection facility that is not at that time assigned or contracted to a load customer (Section 2 "Definitions").

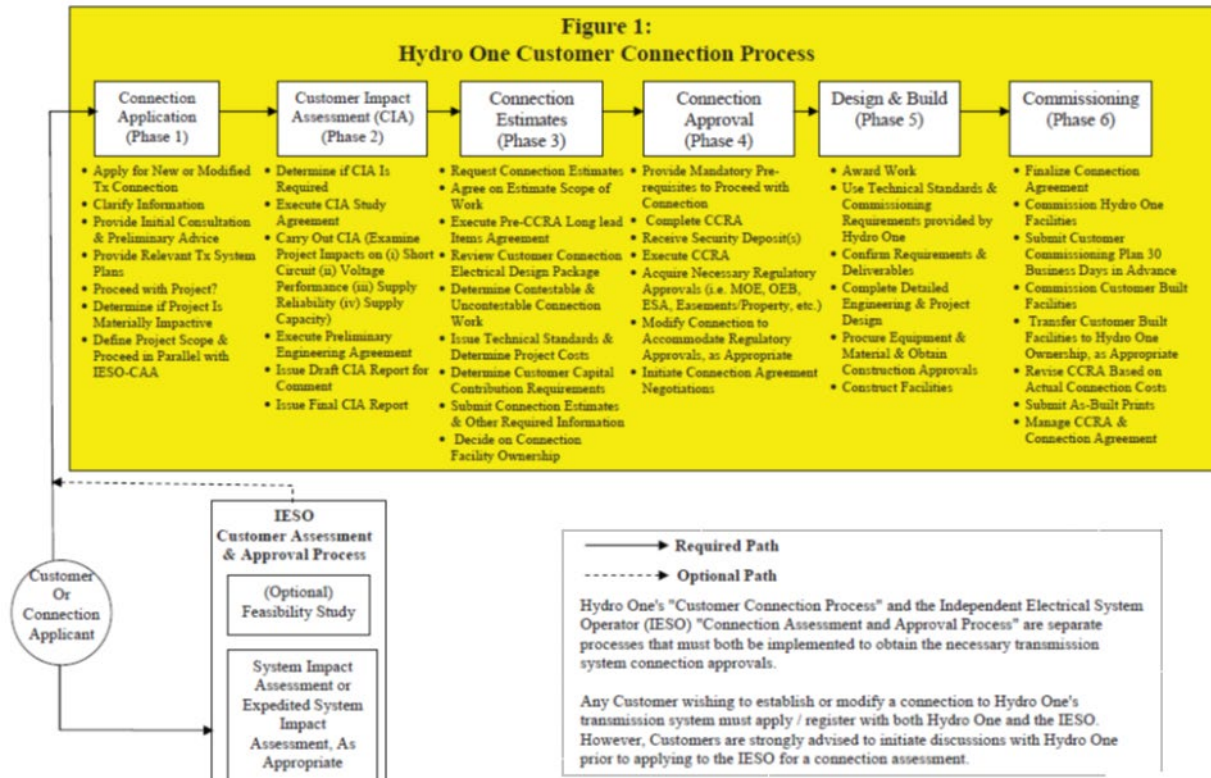
In accordance with Section 2.2 of Hydro One's Transmission Connection Procedures there still remains 71MW of available capacity at Edgeware TS and that remains unchanged since the initial response.

- ii. **Please describe the remaining open breaker positions not yet built out and any inactive breaker positions at Edgeware TS. Please advise on any allocations or restrictions on the unbuilt or inactive breaker positions.**

As of Hydro One's initial response until July 18, 2023, breaker positions M9, M11 and 12 were the only remaining unbuilt or inactive breaker positions at Edgeware TS.

Hydro One in its response to Entegrus IR #1b), interpreted "[...] allocations [...] on the unbuilt or inactive breaker positions" as "any feeder position for which Hydro One Transmission did not have a signed CCRA with a transmission customer for Hydro One Transmission to perform the work required at a feeder position to add the required breaker and associated protection and control equipment as well as install feeder egress". In the absence of any contract with any transmission customer for any additional feeder breakers at Edgeware TS, Hydro One Transmission responded that there are no restrictions which is reflected in the response filed on June 22, 2023.

Hydro One's Customer Connection Process is clearly depicted below in Figure 1 of Hydro One's Transmission Connection Procedures (page 3) .



On July 18, 2023, Hydro One Distribution signed a proxy CCRA with Hydro One Transmission for the M11 and M12 feeder breaker positions to initially provide a supply to its new industrial customer in Hydro One's existing service territory (the "**M11 and M12 Hydro One Distribution Connection**").

However, under the premise and current understanding that any other requested connections, irrespective of whether a transmission customer pursuant to Hydro One's Transmission Connection Procedures has contractually committed to Hydro One Transmission performing the work required to install a feeder breaker, may inhibit the Applicant's unplanned connection to the now remaining unbuilt breaker position (M9) and would thus be considered a restriction, Hydro One Distribution currently has one other proposed connection that could restrict access to the M9 unbuilt breaker position.

The M9 Proposed Hydro One DX Connection is currently undergoing a System Impact Assessment and remains in Phase 1 (Connection Application) of Hydro One's Customer Connection Process as depicted in Figure 1 from Hydro One's Transmission Connection Procedures.

- iii. Please describe the rationale and objective of the current construction activity at Edgeware TS and whether this activity involves building out or modifying any breaker positions, such as the M11/M12.**

Hydro One continues to rely on its previous response to this interrogatory. The current work being performed by Hydro One Transmission at Edgeware TS is limited to work on a sustainment project to replace an end-of-life protection, control and telecom building. Absent this sustainment project, there would be no “current” construction activity at Edgeware TS.

In response to Procedural Order No. 5, Hydro One understands that Entegrus/OEB would like more information on what construction would occur if Hydro One Distribution’s aforementioned proposed connections were to proceed. As Hydro One Distribution signed a Proxy CCRA on July 18, 2023 for the M11 and M12 breaker positions, the construction that will occur is as follows: Hydro One Transmission will install two 27.6kV feeder breakers and associated protection and control equipment as well as install feeder egress for each of the M11 and M12 breaker positions to Hydro One Distribution’s first feeder pole outside of the Edgeware TS station fence.

- iv. Please confirm whether any construction of new breaker positions at Edgeware TS (e.g. the M11/M12 or other breaker positions) is temporary or permanent. If any breaker position construction is temporary, please confirm when the temporary breaker position will become available again.**

As of the date of this response, there is no construction for the M9 Proposed Hydro One DX Connection which is for a permanent connection as it is still in Phase 1 of Hydro One Transmission’s Connection Process as described in Hydro One’s response to 2. above, nor has Hydro One Transmission commenced the construction for the M11 and M12 Hydro One Distribution Connection.

The M11 and M12 Hydro One Distribution Connection is what has given rise to much of the Applicant’s argument regarding inconsistency in information. Therefore, Hydro One would like to provide the following as supporting details in order to address the interrogatory more adequately (as directed by the Procedural Order).

The M11 and M12 Hydro One Distribution Connection, is for temporary construction power and matches the timeline requested by the customer, PowerCo, which is seeking connection for construction purposes prior to its permanent transmission system connection coming into service. As contemplated by the Applicant in previous correspondence, based on the size of the connection, distribution service was not a

feasible long-term solution. However, how long the required transmission assets will take to build, including securing all necessary regulatory approvals such as environmental approvals and project authorizations (e.g., a customer contract, real property acquisition) is beyond the scope of this proceeding. Consequently, the need for the temporary connection is indefinite, however, a minimum period of two years would be a reasonable approximation.

As documented in publicly available news articles<sup>1</sup> as well as the joint press release made by the City of St. Thomas (an Entegrus shareholder) and City of St. Thomas Economic Development Corporation<sup>2</sup>, the City of St. Thomas publicly announced acquisition of 800 acres of lands in June of 2022 where this connection will ultimately be located. Hydro One provides that the development and the need for Hydro One Distribution to service this site and plan for ancillary growth surrounding this mega-development is reasonable planning on the part of the incumbent distributor.

After Hydro One Transmission published its Regional Infrastructure Plan for the London Area in August 2022, Bill 63, also known as the St. Thomas – Central Elgin Boundary Adjustment Act, 2023<sup>3</sup>, was passed in February 2023. The Bill permitted the City of St. Thomas to annex 600 hectares from the municipality of Central Elgin. Those lands were marketed as an “investment-ready mega site”. The vast majority of these lands fall within Hydro One’s Distribution service territory and evidently require electricity and planning to address that forecast load growth.

Hydro One Distribution, similar to the Applicant, is also expecting additional spin off economic growth driven within Hydro One Distribution’s existing service territory in St. Thomas due to the March 2023 announcement that PowerCo is locating in St. Thomas. The lands adjacent to the PowerCo site which are within Hydro One Distribution’s Service territory, are planned for a supplier park and Hydro One anticipates a need to supply this incremental load when it materializes.

Hydro One Distribution has appropriately planned for the above-referenced developments within its service territory by contracting with Hydro One Transmission to use the M11 and M12 breaker positions, initially for the temporary M11 and M12 Hydro One Distribution Connection and thereafter, for its forecast significant growth in Hydro One’s service territory in St. Thomas.

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<sup>1</sup> [St. Thomas, Ont. purchases 350-hectare 'mega-site' for next industrial employer - London | Globalnews.ca](https://www.globalnews.ca/story/ontario/2022/06/09/st-thomas-ont-purchases-350-hectare-mega-site-for-next-industrial-employer-london-1.1641111) – June 9, 2022.

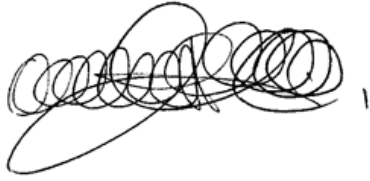
<sup>2</sup> [City Acquiring New Land for Economic Development 2022.pdf](#) (civiclive.com)

<sup>3</sup> [Bill 63, 1st Reading February 22, 2023 – Royal Assent March 2, 2023](#)

Therefore, though the need for the facilities for the M11 and M12 Hydro One Distribution Connection are currently temporary in nature, Hydro One Distribution's long-term expectation is that the need for the breaker positions referenced will remain on a permanent basis for the reasons set out above.

Yours truly,  
**HYDRO ONE NETWORKS INC.**

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Monica E. Caceres

Encls.

cc.: OEB counsel, James Sidlofsky

Entegrus Powerlines, Mr. David C. Ferguson (Chief Regulatory Officer & VP of Human Resources)

Applicant counsel, Mr. David Stevens

Formet Industries, Ms. Christine Gallo, Associate General Counsel;  
Mike Richmond & Adam Chisholm, McMillan LLP