



March 3, 2017

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

EB-2017-0124

55 Taunton Road East

Ajax, ON L1T 3V3

TEL (905) 427-9870

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FAX (905) 619-0210

www.veridian.on.ca

Dear Ms. Walli:

Re: Service Area Amendment Application for Veridian Connections Inc. and Hydro One Networks Inc.

Please find attached a Service Area Amendment ("SAA") application for Veridian Connections Inc. ("Veridian") with a letter of consent provided by Hydro One Networks Inc. ("Hydro One").

Veridian submits that there will be no adverse impacts on existing customers, and therefore ask that the Board dispose of the proceeding without a hearing under Section 21(4)(b) of the *Ontario Energy Board Act, 1998*.

The application has been prepared in accordance with the Board's *Filing Requirements for Service Area Amendment Applications* dated March 12, 2007.

Should you have any questions on this application, please do not hesitate to contact me.

Yours truly,

Steve Zebrowski
Manager of Regulatory Affairs and Conservation
Veridian Connections Inc.

cc: Joanne Richardson, Hydro One Networks Inc.

The power to make your community better.

Veridian Connections is a wholly owned subsidiary of Veridian Corporation



**Application for Service Area Amendment in the
Municipality of Clarington - Bowmanville**

Veridian Connections Inc.

March 3, 2017

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.

This application for a service area amendment (“SAA”) addresses the expansion of Veridian Connections Inc.’s (“Veridian”) Clarington - Bowmanville service territory into Hydro One Networks Inc. (“Hydro One”) existing territory. This application currently affects one (1) suburban residential developer and will impact forty-nine (49) future Residential customers.

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*

Applicant:

Veridian Connections Inc.
55 Taunton Road East
Ajax, Ontario
L1T 3V3

Contact: George Armstrong
garmstrong@veridian.on.ca
Phone: (905) 427-9870 x 2202
Fax: (905) 619-0210

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*

Incumbent Distributor:

Hydro One Networks Inc.
Pasquale Catalano
Regulatory Advisor, Regulatory Affairs
483 Bay Street, 7th Floor, South Tower
Toronto, ON M5G 2P5
Telephone: (416) 345-5405
Fax: (416) 345-5866
Email: Regulatory@HydroOne.com

*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*

Developer:

Port Darlington Land Corporation
28 Sandiford Drive, Suite 201
Stouffville, ON L4A 1L8
Tel. (905) 642-8820
Fax. (905) 576-9730

Contact: Kelvin Whalen, Kaitlin Corp.
kjwhalen@kaitlincorp.com
Phone: (905) 642-8820

The identities of the forty-nine (49) future residential customers are currently unknown as they are not yet customers of Hydro One.

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 other distributors bordering on the area that is the subject of this SAA application.

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.

DESCRIPTION OF PROPOSED SERVICE AREA

- This application for a service area amendment (“SAA”) addresses the expansion of Veridian Connections Inc.’s (“Veridian”) Clarington-Bowmanville service territory into Hydro One Networks Inc. (“Hydro One”) existing territory. This application currently affects one (1) suburban residential developer and will impact forty-nine (49) future Residential customers.
- Although these customers are currently within Hydro One’s territory, Veridian is able to connect these customers to their adjacent distribution system at a lesser cost.

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).

Part of Lots 7 & 8, Broken Front Concession, Municipality of Clarington, Regional Municipality of Durham. (Plan of Subdivision S-C-2013-002)

- Map and description of proposed amendments to service areas found in Attachments A and B
- Site Plan with Veridian and Hydro One Boundary overlay has been included as Attachment C
- General services plan included as Attachment D

- **Hydro One and Veridian Licence Amendments**

Hydro One Networks Inc. (ED-2003-0043)

Name of Municipality:	Municipality of Clarington
Formerly Known As:	Town of Bowmanville, Village of Newcastle, Township of Clarke, Township of Darlington, as at December 31, 1973.
Area Not Served By Networks:	The area served by Veridian Connections Inc. described as the former Police Village of Orono (in the former Township of Clarke), the former Town of Newcastle as more particularly set out in Licence No. ED-2002-0503
Networks assets within area not served by Networks:	Yes
Customer(s) within area not served by Networks:	One Industrial customer located at 410 Waverley Road, Bowmanville ON

→No change required

Veridian (ED-2002-0503)

Please refer to Attachments A and B

7.1.4

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

- For Section 7.1.4 (a), (b),(d) – (f) - Please refer to Attachments A – D

7.1.4 (a)

Borders of the applicant's service area

7.1.4 (b)

Borders of the incumbent distributor's service area

7.1.4 (c)

Borders of any alternate distributor's service area

- Not Applicable

7.1.4 (d)

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

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

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)

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).

- Residential subdivision
 - Phase 1 – Consisting of 234 lots, 49 of which are located in Hydro One Service Territory

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.*

- Veridian has no expansion plans for lands adjacent to the area that is the subject of the SAA application

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.

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.

- Hydro One's estimated cost to connect these 234 customers is approximately \$910,000
- Veridian expects it can connect these 234 customers at a cost of approximately \$465,000

7.2.1 (a)

Location of the point of delivery and the point of connection

- These customers will be served by Veridian's Spry F4 distribution feeder

7.2.1 (b)

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

- The proposed connection is adjacent to Veridian's existing electricity 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 are unnecessary for the proposed SAA (Note: the Board will determine if the reason provided is acceptable).

- The fully allocated connections costs are estimated at \$465,000

7.2.1 (d)

The amount of any capital contribution required from the customer

- A capital contribution of approximately \$34,424 would be required from the customer.

7.2.1 (e)

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

- Not applicable – No equipment will be stranded.

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 proposed SAA will have no impact on the reliability of the existing infrastructure.

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

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.

- Not Applicable

7.3 IMPACTS ARISING FROM THE PROPOSED AMENDMENT

Description of Impacts

7.3.1

Identify any affected customers or landowners.

- Refer to section 7.1.1(b)

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.

- For all customers moving to Veridian, the distribution rates will be lower than the equivalent current Hydro One distribution rates
- Approximate bill impact on the delivery charge for an 800 kWh residential consumer would be a decrease from \$69.95/month (R1 Medium Density) to \$41.67/month.¹
- No material impacts are expected on service quality and reliability.

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.

- Not Applicable

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.

- Refer to map and description in Attachments A – D

7.3.5

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

- Not applicable

¹ Residential delivery charges were calculated using the OEB's estimated bill calculator
<http://ontarioenergyboard.ca/oeb/Consumers/Electricity/Your%20Electricity%20Utility>

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.

- Not applicable - no assets are being transferred

7.3.7

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

- Refer to section 7.1.1 (b)

7.3.8

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

- Not Applicable

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.

- No new load transfers will be created as a result of the proposed SAA

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.

- The customer has been provided with specific and factual information about the proposed SAA.
- Prior to submitting an Offer to Connect to the customer, Veridian and Hydro One compared estimated costs to determine who could connect these 234 prospective customers in the most cost-effective manner. It was determined that Veridian could connect more cost-effectively, and therefore was to submit the final offer to connect.

7.3.11

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

- Refer to Attachment E

7.3.12

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

- Refer to Attachment F

7.3.13

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).

- Not Applicable – there are no adverse effects expected

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.

- Refer to Attachment F

7.5 ADDITIONAL INFORMATION 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.

- Not Applicable

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.

- Not Applicable

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.

- Not Applicable

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.

- Not Applicable

7.5.4

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

- Not Applicable

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.

- Not Applicable

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.

- Not Applicable

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.

- Not Applicable

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 REQUEST FOR NO HEARING

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

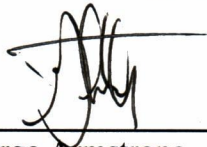
- (a) an explanation as to how no person, other than the applicant and the proposed recipient, will be adversely affected in a material way by the outcome of the proceeding

AND

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

- (a) There will be no adverse impacts on the affected customers with regard to safety and reliability.

- (b) The signature on this application acknowledges consent to dispose of this application without a hearing.



George Armstrong
Vice President, Corporate Services
Veridian Connections Inc.

Dated: March 3, 2017

List of Attachments

ATTACHMENT 'A'

Amended Veridian Licence Map – Clarington-Bowmanville

ATTACHMENT 'B'

Amended Veridian Licence Description – Clarington-Bowmanville

ATTACHMENT 'C'

Site Plan with Veridian and Hydro One Existing Boundary Overlay

ATTACHMENT 'D'

Site Plan

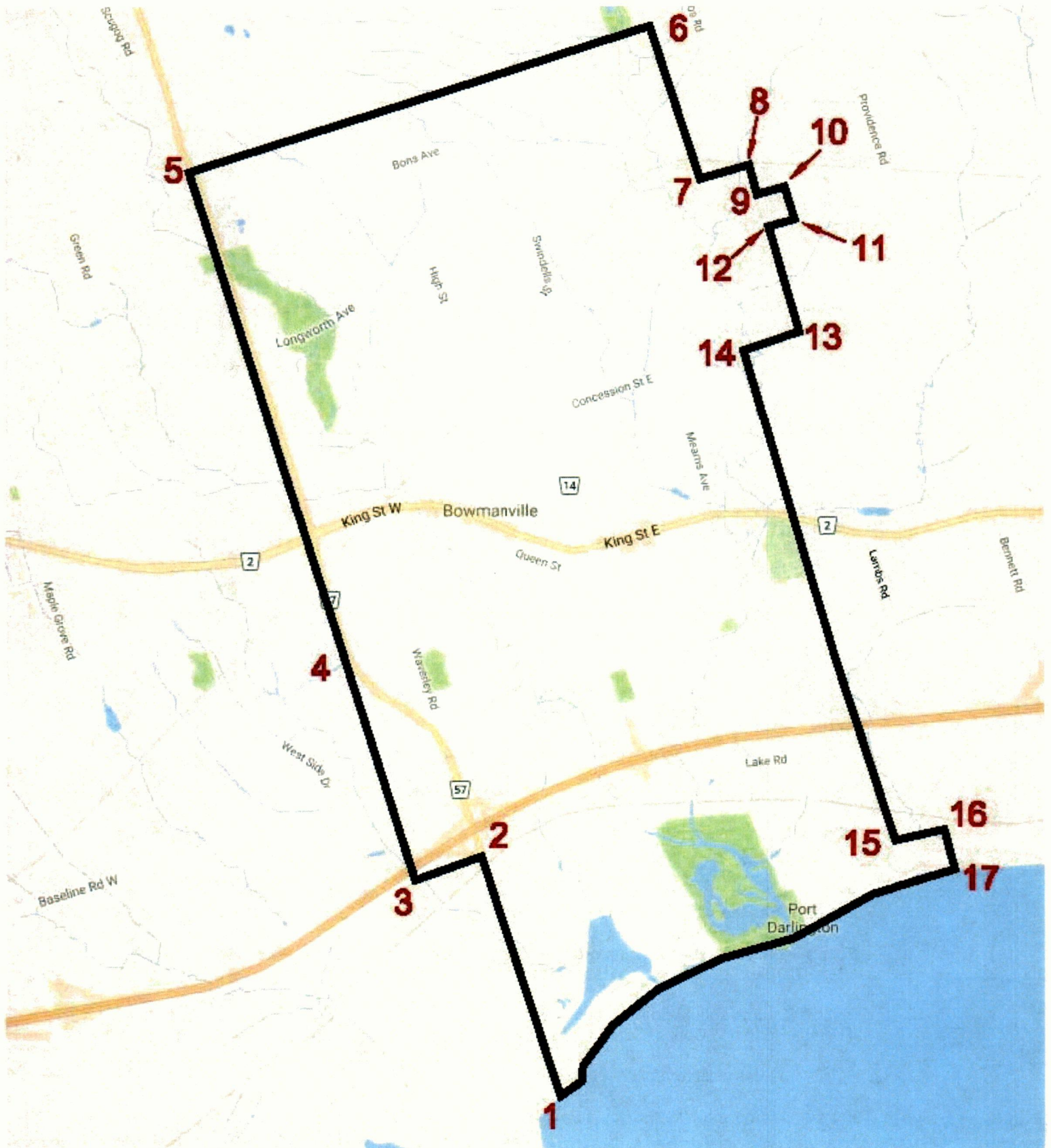
ATTACHMENT 'E'

Hydro One – Letter of Consent

ATTACHMENT 'F'

Customer – Letter of Consent

Proposed Veridian Clarington-Bowmanville Service Territory



Appendix B Schedule 1 Definition of Distribution Service Area of Veridian Connections Inc.

This Schedule specifies the area in which the Licensee is authorized to distribute and sell electricity in accordance with condition 8.1 of this Licence.

CLARINGTON – BOWMANVILLE SERVICE AREA

The alpha-numeric point numbers below refer to the reference map provided on page 28 of this document.

WESTERN BOUNDARY

1. The boundary starts at point # 1, 0.26 km north of Lake Ontario on Waverly Road and follows the road allowance to point # 2.
2. Point # 2 is 0.17 km south of Hwy # 401 on Waverly Road. The boundary turns west for 0.5 km to point # 3.
3. Point # 3 is 0.05 km south of South Service Road on the extension of Martin Road. The boundary turns north following the extension of Martin Road to the intersection of Martin Road and Hwy # 57 to point # 4.
4. The boundary follows Hwy # 57 north to point # 5 at the intersection of Hwy # 57 and Concession Road # 3.

NORTHERN BOUNDARY

5. The boundary turns east to point # 6 following Concession Road # 3.

EASTERN BOUNDARY

6. Point # 6 is 0.4 km west of Lambs Road on Concession Road # 3. The boundary turns south for 1.05 km to point # 7, and runs parallel to Lambs Road.
7. Point # 7 turns east for 0.4km until it meets Lambs Road at point # 8.
8. Point # 8 turns south and runs along Lambs Road for 0.3 km to point # 9.
9. Point # 9 turns east and runs along the northern property line of 2273 Lambs Road for 100m until it reaches the northeast corner of said property at Point # 10.
10. Point # 10 turns south and runs along the eastern property line of 2273 Lambs Road for 70m until it reaches the southeast corner of said property at Point # 11.
11. Point # 11 turns west and runs along the southern property line of 2273 Lambs Road for 100 m to Point # 12.
12. Point # 12 turns south and runs along Lambs Road for 0.7 km to Point # 13, at the intersection of Lambs Road and Concession Street East.
13. Point # 13 turns west for 0.4 km to Point # 14.
14. Point # 14 turns south for 3.5 km to Point # 15, parallel to Lambs Road.

Appendix B

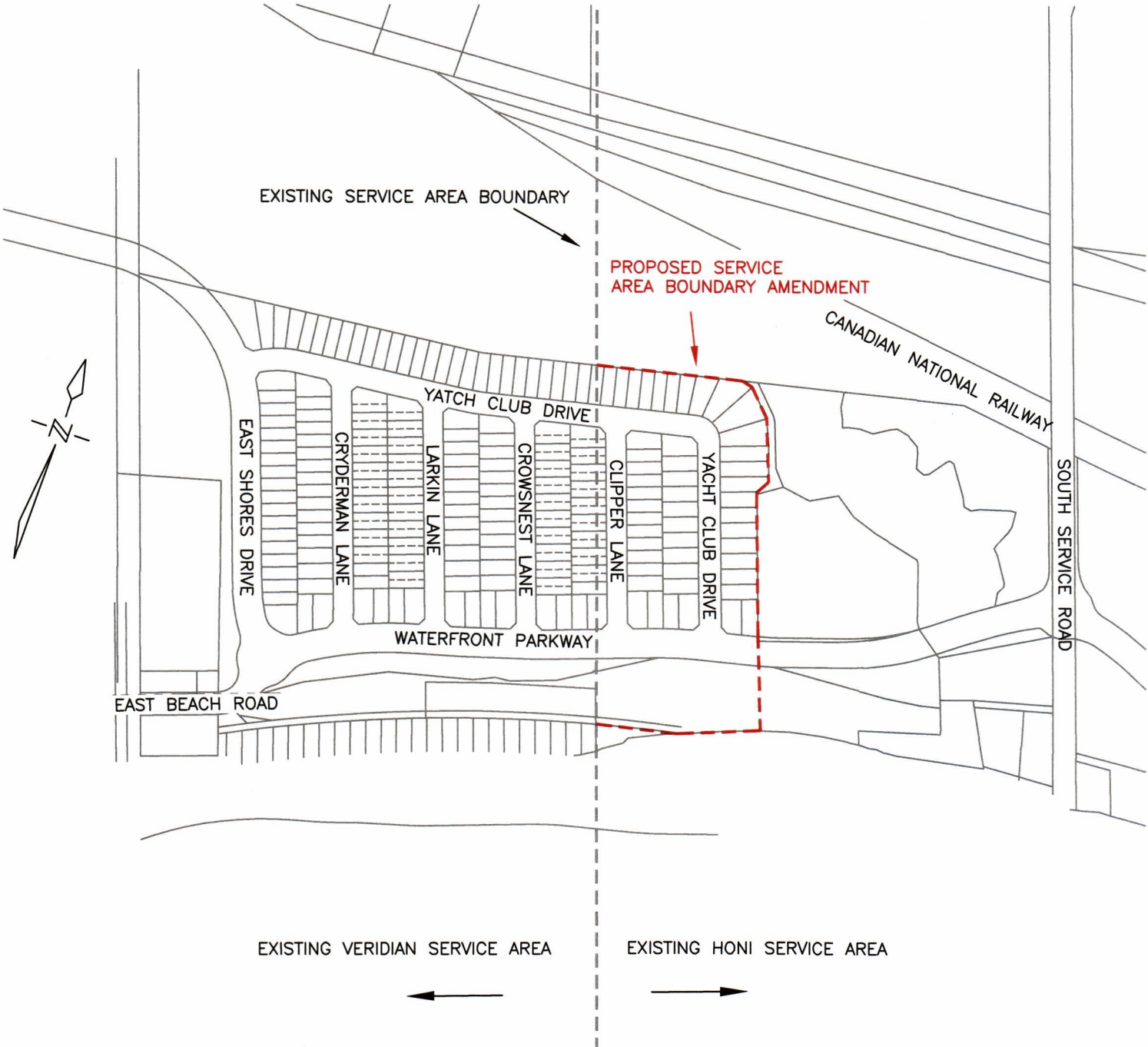
Schedule 1 Definition of Distribution Service Area of Veridian Connections Inc.

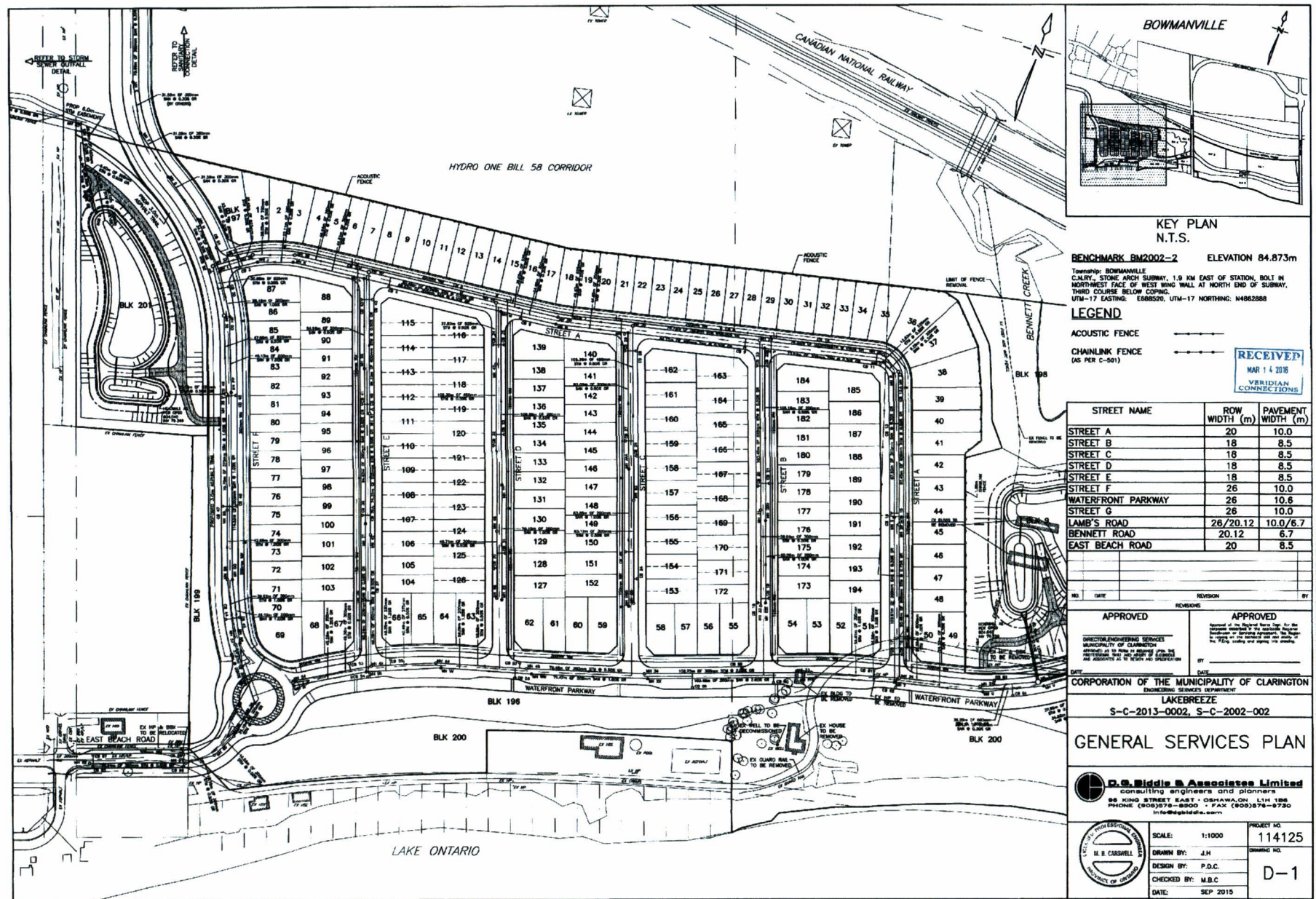
This Schedule specifies the area in which the Licensee is authorized to distribute and sell electricity in accordance with condition 8.1 of this Licence.

15. Point # 15 turns east following the property line on Yacht Club Drive for approximately 155m to Point # 16.
16. Point # 16 turns south following the property line on Yacht Club Drive for approximately 280m to Point # 17.

SOUTHERN BOUNDARY

17. Point # ~~15~~-17 is 0.4 km west of South Service Road. The boundary follows Lake Ontario to point # 1.





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

Attachment E



Joanne Richardson

Director – Major Projects and Partnerships
Regulatory Affairs

BY COURIER

March 1, 2017

George Armstrong
Veridian Connections Inc.
55 Taunton Road East
Ajax, Ontario
L1T 3V3

Dear Mr. Armstrong:

Veridian Connections Inc. Application for Licence Amendment

This is to confirm that Hydro One Networks Inc. (“Hydro One”) supports your application to amend the Veridian Connections Inc. (“Veridian”) Distribution Licence as proposed in Veridian’s service area amendment application. The intent of the application is to amend Veridian’s distribution licence to include the lands described as:

Part of Lots 7 & 8, Broken Front Concession, Municipality of Clarington, Regional Municipality of Durham. (Plan of Subdivision S-C-2013-002)

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

Sincerely,

ORIGINAL SIGNED BY JOANNE RICHARDSON

Joanne Richardson



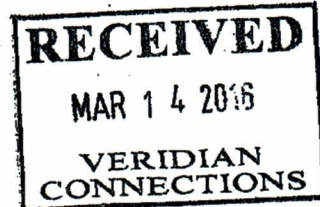
D. G. Biddle & Associates Limited

consulting engineers and planners

96 KING ST. E., OSHAWA, ONTARIO L1H 1B6 PHONE (905) 576-8500 FAX (905) 576-9730
e-mail: info@dgblittle.com

February 19, 2016

Veridian Connections
55 Taunton Road East
Ajax, ON L1T 3V3



Attention: Mr. Ken Gallen

**Re: Hydro Servicing Design & Offer to Connect
Port Darlington West - Lakebreeze
File S-C-2013-002
Municipality of Clarington
Our File 114125**

Dear Sir:

Please find enclosed 2 copies of the General Services Plan for the above noted development. As you may be aware, the Plan of Subdivision straddles a service area territory with Hydro One. We are recommending Veridian Connections provide the hydro service and design for the lands west of Lambs Road, and Hydro One east of Lambs Road. This will require a boundary adjustment as illustrated on the attached figure. Please discuss this adjustment with Hydro One to ensure they are agreeable.

Our Client has indicated that they wish to proceed with the servicing of this development this year. As such, please proceed with the preparation of the design for the hydro distribution system for this development at your earliest convenience. Upon completion of the design, please forward the Offer to Connect. To assist in the preparation of the Offer to Connect, we have enclosed the completed Connection Agreement Information Form. A digital copy of the Engineering Drawings is attached for your use.

Should you have any questions or require any additional information on this proposal, please contact our office at your convenience.

Yours truly,

D.G. BIDDLE & ASSOCIATES LIMITED


M.B. Carswell, P.Eng.
Municipal Design Engineer, Associate

MBC/mbc
Encl.

c.c. Mr. Kelvin Whalen, Port Darlington Land Corporation