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BY EMAIL AND RESS

October 17, 2025

Mr. Ritchie Murray
Acting Registrar
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Mr. Murray,

EB-2025-0254 – Wasaga Distribution Inc. Application for a Service Area Amendment – Hydro One Networks Inc.'s Supplementary Evidence

In accordance with Procedural Order No. 1, please find enclosed Hydro One Networks Inc.'s intervenor evidence on the Wasaga Distribution Inc ("WDI") Application for a Service Area Amendment to serve 400 45th Street South in Wasaga Beach, Ontario.

A copy of this Intervenor Evidence has been submitted using the Board's Regulatory Electronic Submission System.

Sincerely,

Pasquale Catalano

WASAGA DISTRIBUTION INC.

Application for Service Area Amendment

Hydro One Networks Inc. Evidence

October 17, 2025

1.0 INTRODUCTION

In accordance with Procedural Order 1, issued October 3, 2025, Hydro One Networks Inc. ("Hydro One" or "HONI") is providing this intervenor evidence with respect to the Wasaga Distribution Inc. ("WDI" or "Applicant") proposed service area amendment ("SAA") application to serve 400 45th Street South in Wasaga Beach, Ontario (the "Subject Area").

Hydro One's evidence will address relevant sections of the Ontario Energy Board Act, 1998 ("OEB Act"), Ontario Energy Board ("OEB" or "the Board") codes and policies, filing guidelines, prior OEB determinations specific to the Subject Area, as well as applicable legislation to demonstrate that the public interest is only met if Hydro One continues to service the Subject Area. As such, Hydro One submits its evidence will support an OEB determination to dismiss the proposed relief sought by WDI to serve Primont (Wasaga 2) Inc. and Sterling Group of Companies (jointly referred to as the Developers) at the Subject Area.

2.0 ONTARIO ENERGY BOARD JURISPRUDENCE PERTINENT TO THE SUBJECT AREA

This section of Hydro One's intervenor evidence provides pertinent historical context that will explore OEB jurisprudence that supports Hydro One's position. The relevant OEB decisions for the matters in issue are:

1. RP-2003-0044[1] – the Combined Distribution SAA Proceeding ("Combined Distribution SAA Proceeding")
2. EB-2006-0327 – Filing Requirements for SAA Applications[2]

[1] RP-2003-0044, Decision with Reasons, March 1, 2004, and June 23, 2003
[2] EB-2006-0327, Filing Requirements for SAA Applications, March 12, 2007.

3. EB-2015-0006 – OEB DSC Amendments Regarding Long-term Load Transfers ("LTLTs")
4. EB-2016-02073 – the joint application to eliminate all existing LTLTs between the WDI and Hydro One in accordance with the Distribution System Code ("DSC")
5. EB-2023-00554 – WDI Cost of Service, specifically components of the proceeding relevant to the WDI Distribution System Plan related to investments undertaken to supply the Subject Area

Hydro One requests that the record of the above proceedings be included on the record of this proceeding. These documents are important to establish that the proposed SAA is inconsistent with the principles defined in the Combined Distribution SAA Proceeding.[5] In concert with the above OEB jurisprudence, Hydro One's positions will also rely on legislative requirements defined in the Municipal Act, 2001, S.O. 2001, c.25, s. 270 and the Electricity Act, 1998, S.O. 1998, c. 15.

Collectively this intervenor evidence will substantiate that the proposed WDI SAA does not optimize existing distribution infrastructure, unnecessarily burdens Ontario distribution ratepayers and ultimately fails to provide the lowest cost of connection for the Subject Area. The WDI SAA is therefore not in the public interest.

2.1 RP-2003-0044 - ASSESSING THE WDI SAA THROUGH THE COMBINED DISTRIBUTION SAA PROCEEDING PRINCIPLES

WDI's application seeks OEB relief pursuant to section 74(1) of the OEB Act. Through the Combined Distribution SAA Proceeding Decision, the OEB developed principles to ensure a consistent review approach to SAA applications. Hydro One's evidence in this SAA is fundamentally based on the principles established in the Combined Distribution SAA Proceeding.[6]

[3] EB-2016-0207, Decision and Order, September 22, 2016.
[4] EB-2023-0055, Decision and Order Backgrounder, April 30, 2024, par. 4.
[5] RP-2003-0044, Decision with Reasons, March 1, 2004.
[6] RP-2003-0044, Decision with Reasons, March 1, 2004.

Notably, in the Combined Distribution SAA Proceeding Decision[7], the OEB found that:

> The promotion of economic efficiency in the distribution sector is one of the Board's guiding objectives in the regulation of the electricity sector. The Board is persuaded that economic efficiency should be a primary principle in assessing the merits of a service area amendment application. Economic efficiency would include ensuring the maintenance or enhancement of economies of contiguity, density and scale in the distribution network; the development of smooth, contiguous, well-defined boundaries between distributors; the lowest incremental cost connection of a specific customers or group of customers; optimization of use of the existing system configuration; and ensuring that the amendment does not result in any unnecessary duplication or investment in distribution lines and other distribution assets and facilities. The Board recognizes that there may be applications where all these components of economic efficiency do not apply.

In establishing this guidance, the Board found that to maintain consistency with the statutory objectives of the OEB Act, the OEB should:

> [C]onsider the protection of the interests of other consumers in the proposed amendment area, the remaining customers of **each utility, and the interests of electricity consumers throughout the province,** over a time period that includes more than the short-term implications of any given action"[8] (emphasis added).

This intervenor evidence will demonstrate that the WDI SAA does not: (i) maintain or enhance economies of contiguity, density and scale in the distribution network, (ii) provide the lowest incremental cost of connection of a specific customers or group of customers, (iii) optimize use of existing system configurations, or (iv) avoid unnecessary investment in distribution lines and other distribution assets and facilities.

[7] RP-2003-0044, Decision with Reasons, March 1, 2004, par. 84.
[8] RP-2003-0044, Decision with Reasons, March 1, 2004, par. 63

2.1.1 MAINTAIN OR ENHANCE ECONOMIES OF CONTIGUITY, DENSITY AND SCALE IN THE DISTRIBUTION NETWORK

Systematically, economies of contiguity, scale and density significantly favour Hydro One. WDI is a fully embedded distributor of Hydro One and is surrounded by Hydro One service area. WDI serves a total service territory of 61 square kilometers and over 85% of that service territory is considered urban. Over 40% of WDI's 290km of primary distribution circuits are situated underground. WDI's last OEB-approved rate base was shy of $23 million and WDI serves approximately 14,000 customers.[9]

Conversely, for every WDI customer there are 1,000 Hydro One customers. In total, Hydro One serves over 1.5 million customers, including WDI as an embedded distributor. Less than 10% of Hydro One's 125,000 primary circuit kilometers are situated underground. Unlike WDI, over 99% of Hydro One's total service territory is rural.[10]

Hydro One's last OEB-approved rate base was $9.46 billion in 2023.[11] Figure 1 below is an extract of the OEB Service Area Map in the area that exemplifies the current service territory of both utilities.

[9] WDI Electricity Distribution Licence (ED-2002-0544)
[10] Hydro One Distribution License (ED-2003-0043)
[11] EB-2021-0110, Settlement Proposal, Table 18, page 7.

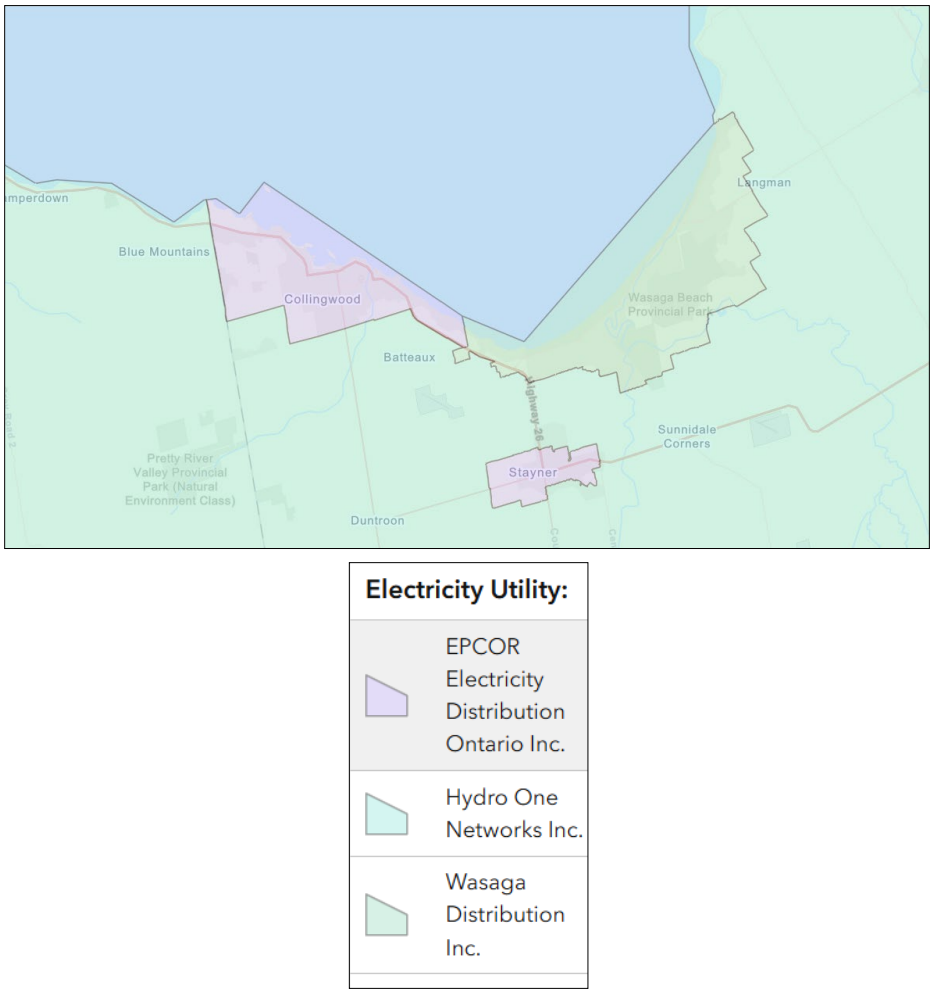

Figure 1: OEB's Service Area Map Excerpt

It is pertinent to note that the Combined Distribution SAA Proceeding considered embedded distributors and retail points of supply. In RP-2003-0044, the Board states,

> The Board is **concerned that any proliferation of new embedded distribution areas and points of supply will increase the potential for uncertainty in coordinating the long-term planning of upstream transmission and distribution assets**. There would be **additional pressures to ensure effective network system coordination between the host and any embedded distributor**. Efficient upstream and downstream distribution system planning may be more complex with the addition of new parties. There may also be **additional risks for system safety and reliability, particularly when coordinating a response to**

> **local system outages or a major catastrophic failure**[12]. (emphasis added)

Hydro One acknowledges that the WDI SAA does not create a new retail point of supply, but it does seek to add more load to an existing embedded distribution area supply point unnecessarily as Hydro One will demonstrate in this evidence. The risk of adding more load to an existing embedded distribution may be minimal, however, irrespective of the level of risk, as described by the OEB above, the WDI SAA raises unnecessary potential risk regarding long term planning as well as system safety and reliability responding to local system outages or a major catastrophic failure. Similarly, it inserts pressures to ensure effective network system coordination. Notably, it is for these reasons that in addition to requesting details on the elimination of LTLTs, the OEB's template application for all SAA applications asks whether an application eliminates retail points of supply.[13] This unnecessary risk and pressure will not materialize provided that Hydro One, in its role as both the existing host distributor and the existing physical and geographic distributor of the Subject Area, continues to serve the Subject Area.

2.1.2 PROVIDE THE LOWEST INCREMENTAL COST OF CONNECTION OF A SPECIFIC GROUP OR GROUP OF CUSTOMERS

Both Hydro One and WDI can provide the Developers with the connection they have requested, specifically underground service.

In the WDI SAA, Hydro One's proposed connection has been misrepresented and therefore, Hydro One is correcting the record of this proceeding to reflect the specifics of Hydro One's actual proposed connection of the Developers at the Subject Area. Hydro One's proposed connection consists of only upgrading approximately 250 meters of existing line and 350 meters of expansion. This is confirmed in Hydro One's Multi-Service Connection Cost Agreement, included in Attachment 5, which contains two service connection options for consideration by the Developers.

Option A, where Hydro One performs both Non-Contestable and Contestable work, and Option B, where Hydro One performs the Non-Contestable work only. As described in

[12] RP-2003-0044, Decision with Reasons, March 1, 2004, par. 177.
[13] RP-2003-0044, Decision with Reasons, March 1, 2004, par. 307.

Table 1 below, the total connection cost, before taxes, for Option A, is $2,264,833.98 or approximately $2.26M.

Table 1 below, stratifies and compares the two detailed offers proposed by each respective local distribution company.

Table 1 - One-Time Connection Costs

Connection Cost Component	Hydro One[14]		WDI[15]	
	Option A	**Option B**	**Option A**	**Option B**
Non-contestable work (poles, wires, meters)	$1,226,835.53[16]	$1,226,835.53[17]	Unknown	Unknown
Design costs	$16,718.54[18]	$16,718.54[19]	Unknown	Unknown
Contestable work	$1,021,279.91[20]	$0	Unknown	Unknown
Civil Work	$0	$0	$1,520,000	Excluded
Capital Contributions	$0	$0	Unknown	Unknown
Total (excludes HST)	**$2,264,833.98**	**$1,243,554.07**	**$3,690,000**	**$2,170,000**
Inspection	*$0*	*$92,566.02*[21]	Unknown	Excluded

[14] Hydro One Multi-Service Connection Cost Agreement, values exclude HST.
[15] Dollar values for the WDI connection are sourced from the WDI SAA Application (EB-2025-0254) as no Offer to Connect has been presented. Hydro One understands WDI's proposition will be that civil works of $1.52M will not be burdened on the Developers and it remains unclear from the WDI SAA what cost responsibility the Developers will have to complete the connection.
[16] Hydro One Multi-Service Connection Cost Agreement, Option A, section 2 and 3, page 14 and 15.
[17] Hydro One Multi-Service Connection Cost Agreement, Option B, section 2 and 3, page 17 and 18.
[18] Hydro One Multi-Service Connection Cost Agreement, Option A, section 1.1, page 14.
[19] Hydro One Multi-Service Connection Cost Agreement, Option B, section 1.1, page 17.
[20] Hydro One Multi-Service Connection Cost Agreement, Option A, section 4 and 5, page 15 and 16.
[21] Hydro One Multi-Service Connection Cost Agreement, Option B, section 4.2, page 18.

Maximum Refund Available to Developer After Hydro One Networks Support Applied	*$0*	*$929,813.89*[22]	Unknown	Unknown

Table 1 has been developed to reflect costs that will be burdened on distribution ratepayers per the evidence detailed to date. Table 1 represent the costs identified by Hydro One for its connection, as well as Hydro One's understanding of the costs associated with WDI's proposed connection documented in the WDI-proposed SAA application. WDI's connection, as described in Section 6.1.4 of the WDI SAA is purportedly limited to reinforcing approximately 470 meters of overhead distribution infrastructure along Morgan Road.[23] Even if it may be true that a 470-meter reinforcement may be all that is remaining to connect the Subject Area, this narrow view fails to appropriately consider all the upstream investments that WDI has already incurred to supply the Subject Area that WDI admits has been "purpose-built" to connect development.[24] To understand the upstream investments that have been undertaken by WDI to serve the Subject Area, it is pertinent to review previous jurisprudence specifically related to the Subject Area, the upstream investments themselves, and jurisprudence outlining the need to include both direct and indirect costs in the calculation of fully allocated costs.

2.1.2.1 EB-2015-006 - DISTRIBUTION SYSTEM CODE, S.6.5.3, AMENDMENTS FOR LTLT

Despite the Subject Area being geographically in the distribution licence of WDI, the Subject Area has always been physically served as a long-term load transfer by Hydro One ratepayer-funded assets. On December 21, 2015, the OEB issued amendments to the Distribution System Code ("DSC") in section 6.5.3 requiring distributors to eliminate all LTLT's by June 21, 2017 ("the LTLT DSC Amendments")[25]. The OEB set out the policy to eliminate LTLT arrangements between distributors to be of public interest and enabled system wide efficiencies. LTLT's, as described in the proposed amendments to the DSC, involve two distributors.

[22] Hydro One Multi-Service Connection Cost Agreement, Option B, Part 3 Sub-Total, page 18.
[23] "This segment will require reinforcement to accommodate the full build-out of the proposed development" – WDI SAA Application (EB-2025-0254), page 23.
[24] EB-2025-0254, WDI SAA Application, August 19, 2025, page13.
[25] EB-2015-0006, OEB Notice of Proposal to Amend a Code, February 20, 2015.

> One [distributor] is referred to as the geographic distributor and the other is referred to as the physical distributor. While the customers ("load transfer customers") is located in the licensed service area of the geographic distributor, the load transfer customers are physically connected to the physical distributor's distribution system. It is therefore the physical distributor that provides the delivery of electricity to the load transfer customers. However, the customers are billed by the geographic distributor (i.e., pays geographic distributor's distribution rates which may be higher or lower than physical distributor's rates).[26]

The LTLT DSC Amendments resulted in many joint applications with the aim of reducing cross subsidization of ratepayers across distributors and by improving system wide efficiencies. The underlying principles of the LTLT DSC Amendments are explicitly detailed on page 1 of the proposed amendments and read as follows:

> The purpose of the DSC amendments is to set out the criteria under which all load transfer arrangements will be eliminated. The principles underlying those criteria are minimizing the impacts on the load transfer customers and **avoiding unnecessary costs being imposed on consumers due to an uneconomic distribution system expansion by a geographic distributor for the sole purpose of connecting load transfer customers**.[27] (emphasis added)

2.1.2.2 EB-2016-0207: A JOINTLY FILED LTLT-ELIMINATION APPLICATION

On June 29, 2016, Hydro One and WDI jointly filed a LTLT-elimination application (the "LTLT Joint Application"). The LTLT Joint Application sought the elimination of all LTLT's between Hydro One and WDI.[28] The LTLT Joint Application explicitly identified the Subject Area as a connection that should be served by Hydro One as both utilities jointly applied for combined service area amendment and asset transfer relief from the OEB given it was uneconomic for WDI to expand to physically serve the Subject Area.[29] Additionally, pertinent to the OEB's consideration in the LTLT Joint Application and to the OEB's assessment of this SAA application, **WDI confirmed that the transfer of the Subject Area to Hydro One would not result in the stranding of any assets.**[30]

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[26] EB-2015-0006, OEB Notice of Proposal to Amend a Code, February 20, 2015.
[27] EB-2015-0006, OEB Notice of Proposal to Amend a Code, February 20, 2015.
[28] EB-2016-0207, Decision and Order, September 22, 2016, page 2.
[29] EB-2016-0207, Combined SAA and Asset Transfer Application, June 29, 2016, section 2.1.
[30] EB-2016-0207, Combined SAA and Asset Transfer Application, June 29, 2016, section 1.5.2.

Predicated on this jointly filed evidence, the OEB found the transfer of the Subject Area to Hydro One to be in the public interest and approved the LTLT Joint Application as filed.

2.1.2.3 EB-2023-0055: WDI COST OF SERVICE EVIDENCE AND DISTRIBUTION SYSTEM PLAN

As described in the OEB's Combined Distribution SAA Proceeding Decision, the fully loaded cost to connect the Developers should take all direct and indirect costs into account, not just the price of connection quoted for the prospective connection:

> In all instances, the costs associated with the connection should be the fully loaded costs, which capture all of the relevant indirect and direct costs reasonably associated with the project at issue, not merely the price of connection quoted to the prospective connection customer. Costs developed with respect to other connection projects which are not contested will serve as a guide in assessing the authenticity of costs associated with a contested project.[31]

It is evident from the LTLT Joint Application that the *recently upgraded infrastructure* referenced in the WDI SAA Application[32] was not there in 2016 when the Subject Area was transferred to Hydro One. Date-stamped photographic evidence from Google Maps, included as Attachment 1, Map A, supports this fact. It is unclear based on the WDI SAA what the *recently upgraded infrastructure* is in totality and when the *recently upgraded infrastructure* that is now adjacent to the Subject Area[33] was installed. Google maps confirm these assets were upgraded by June 2023 as seen in Attachment 1, Map B.

Given the abbreviated time to develop this intervenor evidence, Hydro One undertook a cursory review of WDI's most recent cost of service proceeding, including its distribution system plan and any discovery associated with that plan, in order to establish WDI's Board-tested capital forecasts, system capabilities, and investment priorities. This documentation provides a reliable baseline for assessing the need and rationale for WDI's *recently upgraded infrastructure* to supply the Subject Area.

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[31] RP-2003-0044, Decision with Reasons, March 1, 2004, par. 236.
[32] WDI SAA Application, August 19, 2025, p. 13 of 27
[33] ibid.

From this documentation, the 2021, 2022 and 2023 WDI Capital Budget Reports which WDI provided in an interrogatory response in its cost of service proceeding were identified as being directly relevant to WDI's proposed SAA.[34] The WDI annual capital plans have been included as Attachments 2, 3 and 4 of this intervenor evidence, respectively. Therein, WDI articulates plans to undertake the following:

1) MS#6 Sunnidale Road Substation – 2022 Capital Budget Report, Attachment 3, page 32.
2) Morgan Road (new stn backup) Overhead – 2022 Capital Budget Report, Attachment 3, page 33.
3) Morgan Road –2023 Capital Budget Report, Attachment 4, page 29.

Cumulatively, these investments equate to a minimum of a new substation and the expansion of over 3km of primary conductor at a forecast capital cost exceeding $4 million. These investments (and any others Hydro One has not been able to identify thus far) have been purpose-built by WDI to expand the WDI distribution system to supply the Subject Area and other future developments. This is confirmed by WDI's proposed SAA[35] and in the description of the investments in the Capital Budget Reports.[36] Even if these investments were completed at the forecast costs provided, none of these expansion costs have been considered in the cost comparison advanced by WDI in this SAA. These costs, irrespective of whether they are directly or indirectly attributable to the connection of the Subject Area, should be considered in the capital cost comparison as outlined by the OEB's Combined Distribution SAA Proceeding Decision.

[34] EB-2023-0055, WDI Cost of Service Application, February 2, 2024, Appendix K: 2-VECC-3. The filing of the referenced interrogatory responses, February 2, 2024, is after the issuance of the Developer support letter provided in this proceeding as Schedule C of the WDI SAA Application dated January 30, 2024.
[35] WDI SAA Application, August 19, 2025, page 13.
[36] For example, Morgan Road, 2023 Capital Budget Report within Attachment 4, states, "Ultimately, this project will have the benefits of redundancy, increased load distribution capabilities, **and greater load capabilities**" (emphasis added).

2.1.2.4 'BENEFICIARY PAYS' PRINCIPLE REGARDING CIVIL COSTS

Interrelated with the assessment of the lowest incremental cost of connection for a specific group of customers is cost responsibility considerations regarding civil costs. In the lead-up to the WDI SAA, and in accordance with normal utility practice, Hydro One and WDI initiated a cost comparison exercise to reach a mutual agreement on which distributor should service the Subject Area. The comparison exercise was paused after Hydro One disclosed to WDI Hydro One's cost to serve the Subject Area. A full comparison of connection costs was not completed because there was no agreement on the cost comparison components. This fact is similarly described in section 6.1.3 of WDI's proposed SAA Application.

WDI proposed SAA Application (EB-2025-0254), sec 6.1.3 identifies,

> WDI presented a total project estimate of $3.69 million, **which included $1.52 million in civil works such as trenching, duct banks, vaults, and road crossings**. In contrast, HONI's estimate of approximately $2.4 million **excluded** key components such as **civil works** and inspection service. (emphasis added)

As stated by WDI, when comparing connection cost estimates, WDI presented a total project estimate of $3.69 million as costs eligible for rate recovery through the WDI discounted cash flow analysis. This included $1.52 million in civil works for underground service. Comparatively, Hydro One's estimate is approximately $2.26 million and excludes civil works and corresponding inspection services because these costs are not recoverable through Hydro One electricity distribution rates. Hydro One's approach consistently applies the same capital cost value of $2.26 million, both in the capital cost comparison and in the costs eligible for rate recovery when conducting its economic comparison analysis.

Hydro One's proven methodology is consistent with current OEB guidance – an overhead lines solution is the least cost technical solution compared to an underground lines solution. Overhead infrastructure is the only solution that is equitable to be funded by rates across the diverse geographical and geological conditions of Hydro One's service area. Applying the 'beneficiary pays' principle, ensures the incremental cost of a premium

solution of underground supply would be a responsibility of the developer requesting the solution, as it represents a customer choice rather than an optimal solution.

The OEB's cost recovery principle - "**beneficiary pays**" states,

> The guiding principle that underlies the allocation of the costs associated with distribution expansion and connection investments is "**beneficiary pays**," which means that **persons who directly benefit** from an infrastructure investment should **pay the full cost of the investment. Costs should not be allocated to any consumer, distributor or generator that will not benefit from the investment.**[37] (emphasis added)

The OEB Bulletin, dated September 29, 2022, states,

> The OEB believes that, **where such a premium solution is desired, the incremental cost** of the investment **should be funded through other means, rather than through distribution rates** (e.g., by the municipal shareholder through municipal property taxes similar to the approach recently used in Ottawa). This approach is consistent with the **optimal infrastructure solution principle** discussed above, as the **'premium'** solution would not be the **'optimal'** solution identified in the regional infrastructure plan".[38] (emphasis added)

In the Ministry of Energy and Electrification Directive, issued December 19, 2024, mandates,

> In this work, I expect the OEB will: Work with the IESO, licensed transmitters, LDCs, municipalities, and other stakeholders to consider how the '**beneficiary pays' principle** can best be modified or applied to ensure:
>
> - **Transmission / distribution build decisions consider probable future users, the interests of early and later beneficiaries, and other ratepayers**;
> - LDCs, transmitters, and their shareholders should be kept whole; and
> - The potential for wasted costs or under-build are minimized to protect ratepayers. (emphasis added)

The OEB has consistently upheld the dual principle of 'beneficiary pays' and optimal infrastructure solution. These principles ensure that cost allocation remains equitable and

[37] OEB System Expansion for Housing Developments Report, June 28, 2024, page 19.
[38] OEB Bulletin, Local Community Preference for Alternative to Most Cost Effective Solution, Sept. 29, 2022, page 3.

transparent, protecting ratepayers from subsidizing discretionary or premium solutions. This direction from the OEB and the Ministry enables equity among all distribution ratepayers, regardless of variations in geography, soil, or rock conditions. The approach confirms that the substantial incremental costs associated with underground construction are not socialized through distribution rates but are borne by the party requesting such a premium solution. This approach aligns with OEB policy, Ministry direction, and industry best practices, safeguarding ratepayer interests while supporting prudent and optimal infrastructure plans.

Hydro One's established methodology, grounded in OEB policy, recognizes that civil works such as trenching, duct banks, vaults, and road crossings constitute a premium solution compared to the least-cost, technically appropriate alternative of overhead construction. In accordance with the "beneficiary pays" principle, the incremental cost of these premium solutions are the cost responsibility of the requestor, typically the municipality or developer, rather than being socialized through distribution rates. As a result, Hydro One's civil costs continue to be considered irrelevant to the cost comparison as they will not be burdened on distribution ratepayers. With respect to the WDI proposed SAA, it is unclear what civil costs will be burdened on WDI ratepayers based on the lack of cost responsibility detail provided therein.

3.0 OPTIMIZATION OF THE USE OF EXISTING DISTRIBUTION SYSTEM CONFIGURATIONS & AVOIDING UNNECESSARY DUPLICATION OF DISTRIBUTION ASSETS

The OEB's Combined Distribution SAA Proceeding Decision provides guiding principles to demonstrate whether a SAA is beneficial by explicitly stating:

> The efficient and optimized development of the distribution system is a higher value than the interests of any single operator within the system."[39]
>
> The Board recognizes that Ontario's distribution system is currently comprised of a number of embedded distributors, created due to historical circumstances and the legislative and regulatory regime in existence prior to the break up of Ontario Hydro and restructuring of the sector in 1998. Subsequently, a number of these embedded systems have been subject to

[39] RP-2003-0044, OEB Decision with Reasons, February 27, 2004, par. 246.

> rationalization through mergers and acquisitions. The Board encourages service area amendments which contribute to the further rationalization of embedded distribution systems and elimination of inefficient retail points of supply in Ontario's electricity distribution system.[40]

WDI is a small utility, pursuant to the OEB's definition of a small utility.[41] WDI is also a fully embedded distributor in Hydro One. Any continued expansion of WDI assets into Hydro One service territory, most notably to service the Subject Area, is inefficient. This has already been confirmed by WDI in the previous Joint LTLT Elimination Application that was filed with the OEB in 2016.

The WDI proposed SAA does not optimize the use of existing system configurations and unnecessarily duplicates existing distribution assets. Hydro One has upstream capacity available to facilitate the new development. In addition, Hydro One has the capability to switch load to a different circuit, in the event of an issue with the 8kV system. Hydro One confirms capacity is available to accommodate the load of the Subject Area from Sunnidale Corners DS F2 that also has an existing tie point with capacity available from Duntroon DS F2 to accommodate the development.

Further documentation on the duplicative assets that have been introduced by WDI to service the Subject Area are detailed in section 2.1.2.3 of this intervenor evidence.

4.0 OTHER MATTERS: CONNECTION TIMELINES & PERMITTING

In Ontario, electricity utilities must obtain approval from the Ontario Energy Board to operate their systems in a given service territory. These licensed service territories are not necessarily congruent with municipal boundaries and still achieve economic efficiency, consumer protection, and the maintenance of a financially viable electricity industry which are *inter alia* the focus of an SAA.

With respect to WDI's evidence that it would better serve municipal alignment objectives as described in section 2.1 of WDI's SAA, the fact is that municipal actions are grounded

[40] Ibid. par. 187.
[41] Pursuant to Chapter 5A of Filing Requirements For Electricity Distribution Rate Application, the OEB defines a small utility as a utility that serves less than 30,000 customers.

in statutory authority and parties that come within its governance are entitled to fair, transparent and compliant processes in relation to permits, approvals, and procurement of services and goods if undertaken by a municipality.

Evidence has been presented in this SAA that purports that WDI would be able to complete a connection faster than Hydro One.[42] Hydro One states it is an experienced distributor in design, permitting and construction for pole line upgrades and pole line extensions. In 2024 alone, Hydro One processed 14,063 new distribution connection requests for residential and small business low-voltage customers. Of these, 99.94% were completed within five business days (or as otherwise agreed to by the customer and the distributor), which was better than the industry target of 90% for the twelfth consecutive year. Hydro One's performance is attributable to customer-focused business processes and improvements in scheduling practices. Hydro One consistently engages in meaningful consultations with municipalities and townships across Ontario, including the township of Wasaga Beach. Working with the IESO, Hydro One also actively participates in the regional planning processes, for multiple regions across the province (including the South-Georgian Bay – Muskoka Regional Infrastructure Plan). [43]

With respect to suppositions on faster municipal permitting and township preferences[44], Hydro One also relies on the provisions of the Electricity Act to highlight that the legislation subordinates municipal authority over electricity distribution to the OEB.[45] A municipality cannot grant preferential treatment to its municipally-owned local distributor in relation to permitting, approvals, or procurement of goods and services, nor use their position to unduly influence a customer to steer towards the municipally owned distributor.

Accordingly, though it may be true that the township prefers WDI to service the Subject Area, township preference is in effect moot for this proceeding. Municipal shareholder influence and preferential treatment of a local distribution company should not be considered within a contested SAA. The OEB, acting within its legislated mandate, is the

[42] WDI SAA Application, August 19, 2025, page 15.
[43] South Georgian Bay-Muskoka, Regional Infrastructure Plan, December 16, 2022.
[44] WDI SAA Application, August 19, 2025, page 17 and 20.
[45] Electricity Act, 1998, S.O. 1998, C. 15, SCH. A - "This Act applies despite the provisions of the Municipal Act, 2001 relating to the production, manufacture, distribution or supply of a public utility by a municipality or a municipal service board."

ultimate authority ensuring that service area determinations are made in the public interest, free from municipal preference.

5.0 CONCLUSION

In summary, Hydro One's evidence demonstrates that the Subject Area should continue to be physically served by Hydro One, consistent with the OEB's LTLTs Decision and remain within its defined service area. This will ensure ratepayers are not unduly burdened as would otherwise be the case if the WDI-proposed SAA were approved as filed. The public interest is only met if the Subject Area remains within Hydro One service territory.

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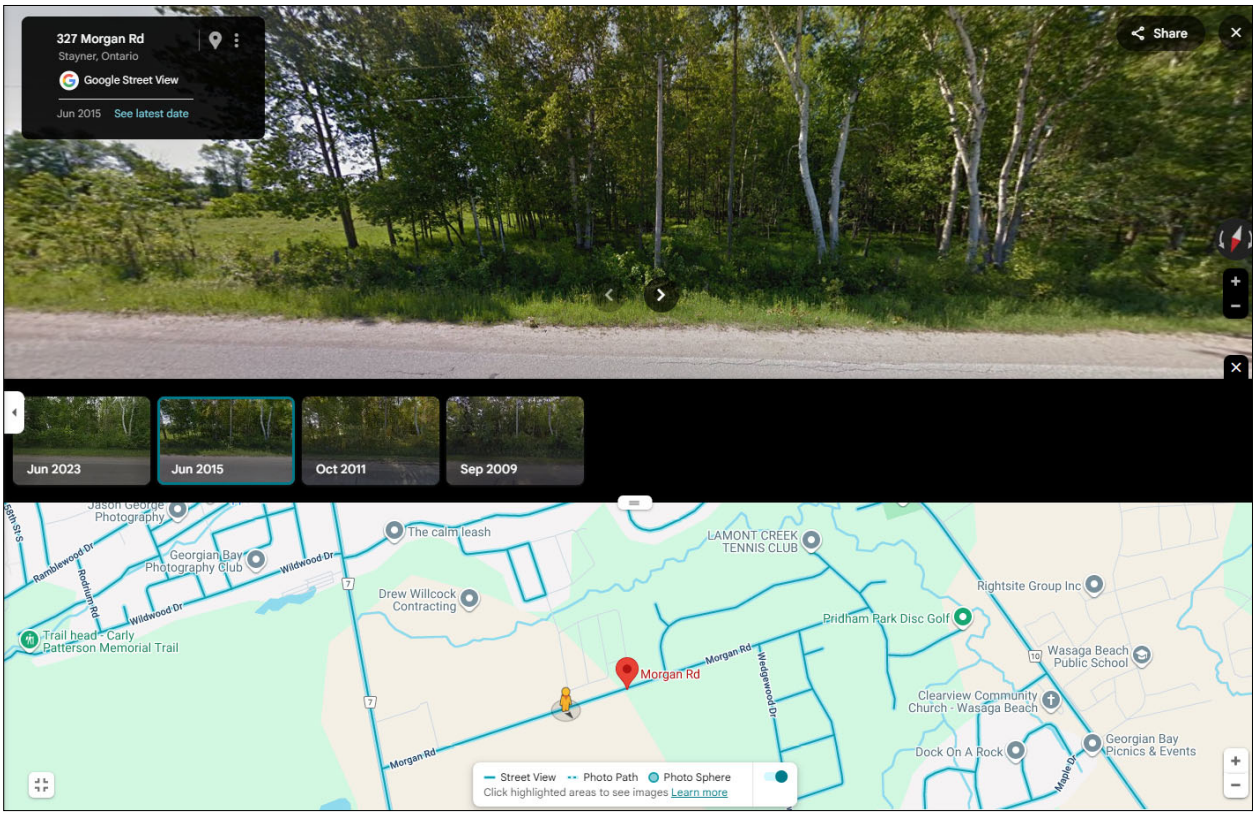
Attachment 1

Subject Area Photo
Evidence

Attachment 1: Subject Area Photo Evidence

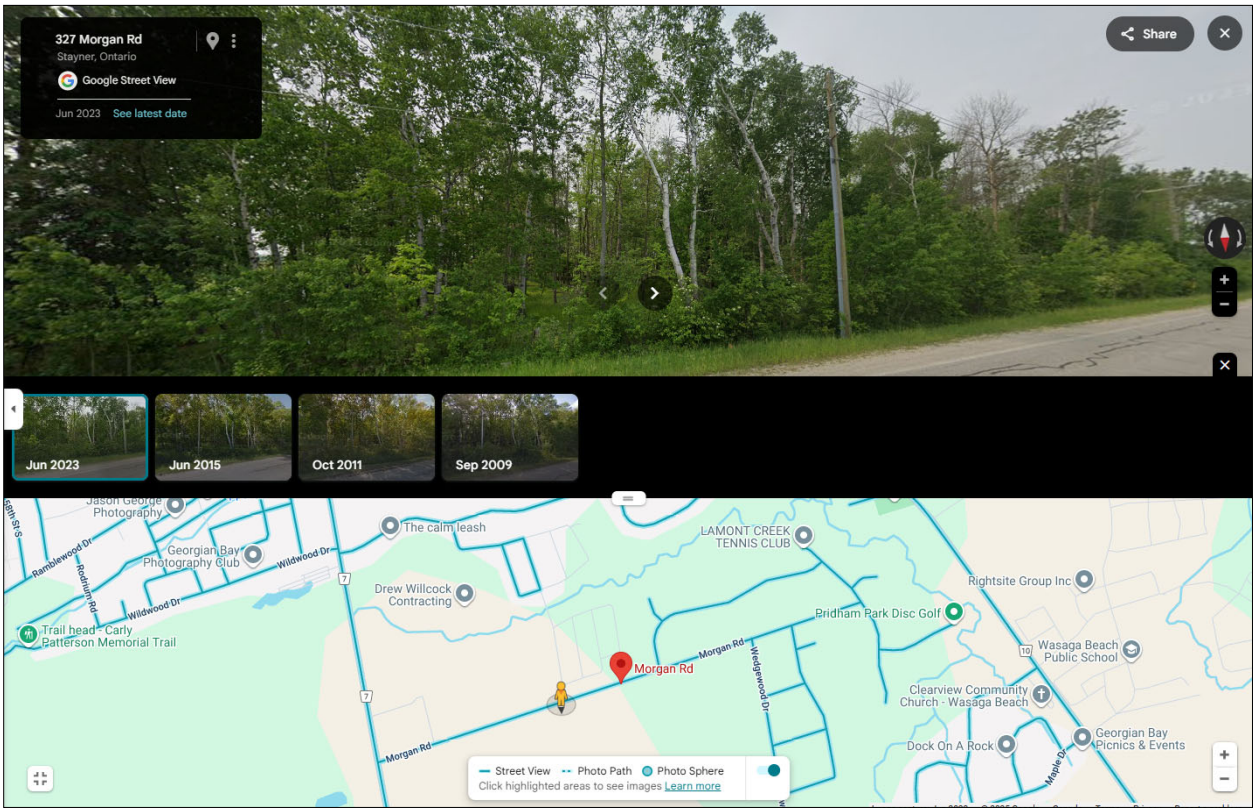
Map A – Streetview on Morgan Rd dated Jun 2015 (prior to LTLT)

Evidence of Wasaga's single phase feeder with no underground dip.

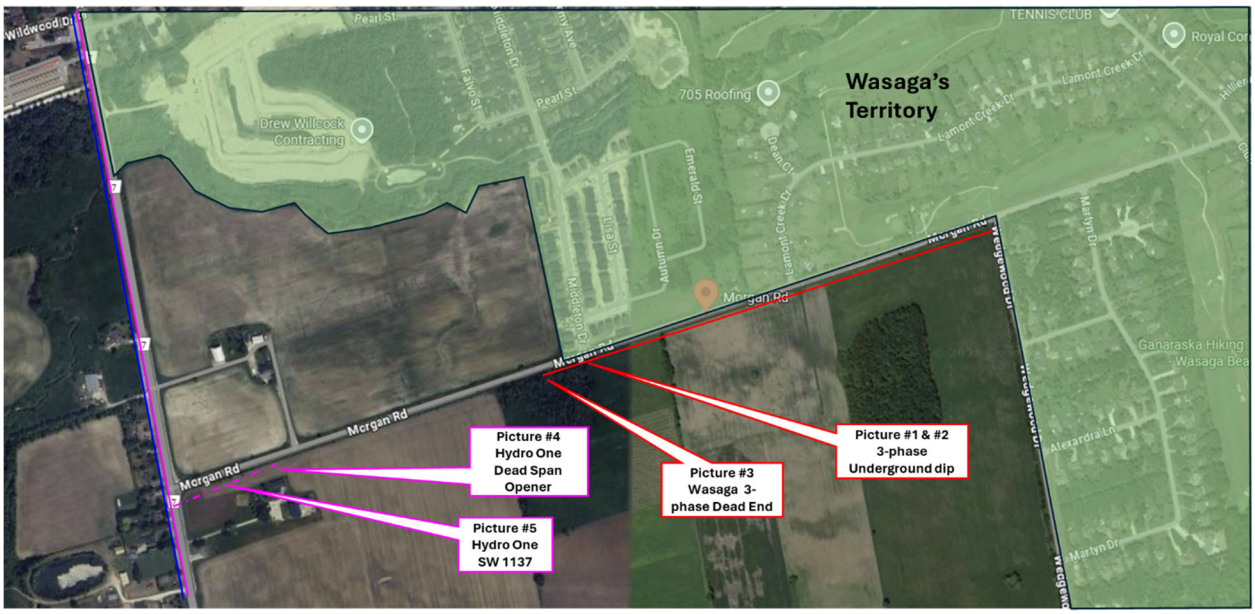


Map B – Streetview on Morgan Rd dated Jun 2023 (post LTLT)

Evidence of WDI's installed upgraded 3-phase feeder with installed underground dip.



Map C - Picture Discovery Map

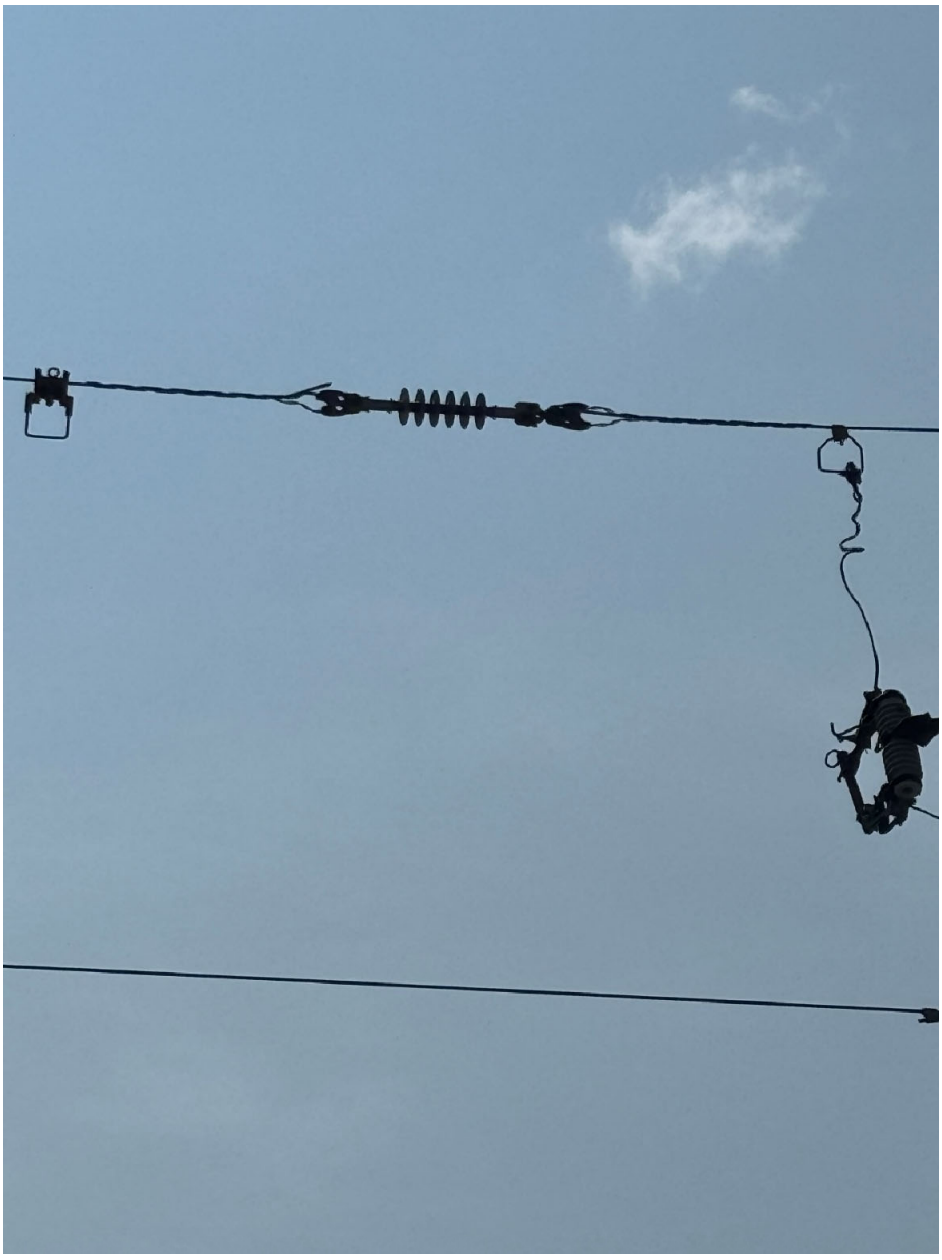


Picture #1: Three Phase Underground Dip

Picture #2: Three Phase Underground Dip

Picture #3: Three Phase WDI Dead-end

Picture #4: Hydro One Dead Span Open



Picture #5: Hydro One SW1137

Attachment 2

2021 Capital Budget
Report

Wasaga Distribution Inc.

2021 Capital Budget Report

To: Wasaga Distribution Board

Date Submitted: November 26, 2020

Prepared By: Paul Trace CET **Date:** November 9, 2020

Reviewed By: Finance and Audit Committee **Date:** November 18, 2020

Asset Assessment

As directed by the Ontario Energy Board (OEB), Wasaga Distribution Inc. has developed a formal asset management planning structure to help ensure the prudent management of our assets on behalf of our customers. The 2021 Capital Budget Plan has been developed using the 2016 – 2020 Distribution System Plan as a reference. An updated 2021 - 2025 Distribution System plan is currently under development. The Distribution System Plan (DSP) outlines the desired methodology to evaluate our assets. This methodology provides a framework to link our core values directly to the way we manage our system.

Capital Project Prioritization

After determining the extent of the proposed projects, statistics on the number of included assets were determined for each project to facilitate budget numbers.

Capital Project Categories

The proposed capital projects can be placed into one of four categories based on the primary motivation for completing the project. The categories are as follows:

Category	Gross	Expected Capital Contribution	Net
System Access	$4,590,280	$3,354,269	$1,236,011
System Renewal	$1,836,633	$17,172	$1,819,461
System Service	$1,222,500	$0	$1,222,500
General Plant	$45,000	$0	$45,000

Section 1 – System Access

System Access Investments:

Definition

System access investments are modifications (including asset relocation) to a distributor's distribution system a distributor is obligated to perform to provide a customer or group of customers with access to electricity services via the distribution system.

Overview of System Access Projects

This budget provides for the development of 618 new residential and commercial developments connections, along with several municipality initiated projects. System Access projects are identified based on projected implementation as communicated by Developers. A level of risk exists with realization of these projects. This category also includes the cost of metering and works for new and upgraded services, which include both residential and commercial lots in 2021.

Summary of System Access Projects – 2021

Projects with map visual:

Project Name	Total Cost	Description Slide
ELM Development Phase 1 Stage 2	$1,222,984	6
Sterling Development	$412,327	7
Sunnidale Trails Phase 1A - Stage 1	$699,040	8
Sunnidale pump station	$75,000	9
Stonebridge BLk 24	$313,451	10
Ramblewood Subdivision Phase 1 - Stage 1	$439,119	11
Klondike Park Road @ Judith	$44,964	12
River Road West - Veterans to Blueberry (O/H)	$1,135,519	13
304 Main Street (RRW) (O/H)	$89,876	14

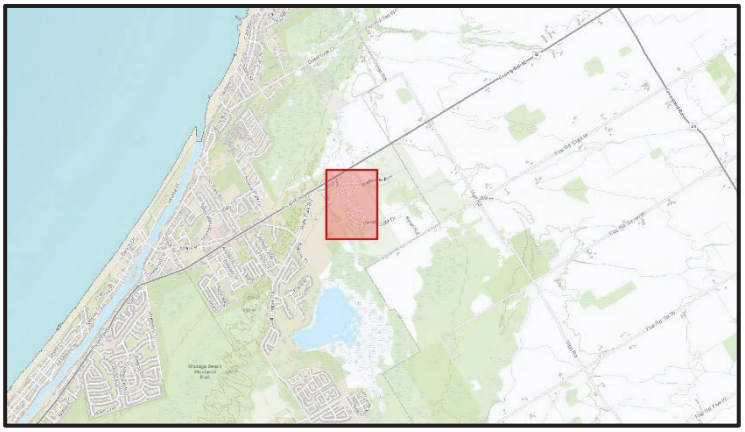
Other Projects and Program:

Project Name	Total Cost
Metering (New Services)	$23,000
New Service/Upgraded Service	$150,000
MVA/Streetlights	$25,000

ELM Development Phase 1 Stage 2

Description

This project is Stage 2 of Phase 1 of a development that started a few years ago. It is located south of River Road West through Village Gate Drive. Phase 3 consists of 185 lots. This development is a mix of detached homes and townhomes, with occupancy expected late in 2021.



Project Driver

System Access

Project Estimate

$1,222,984

2021 Gross

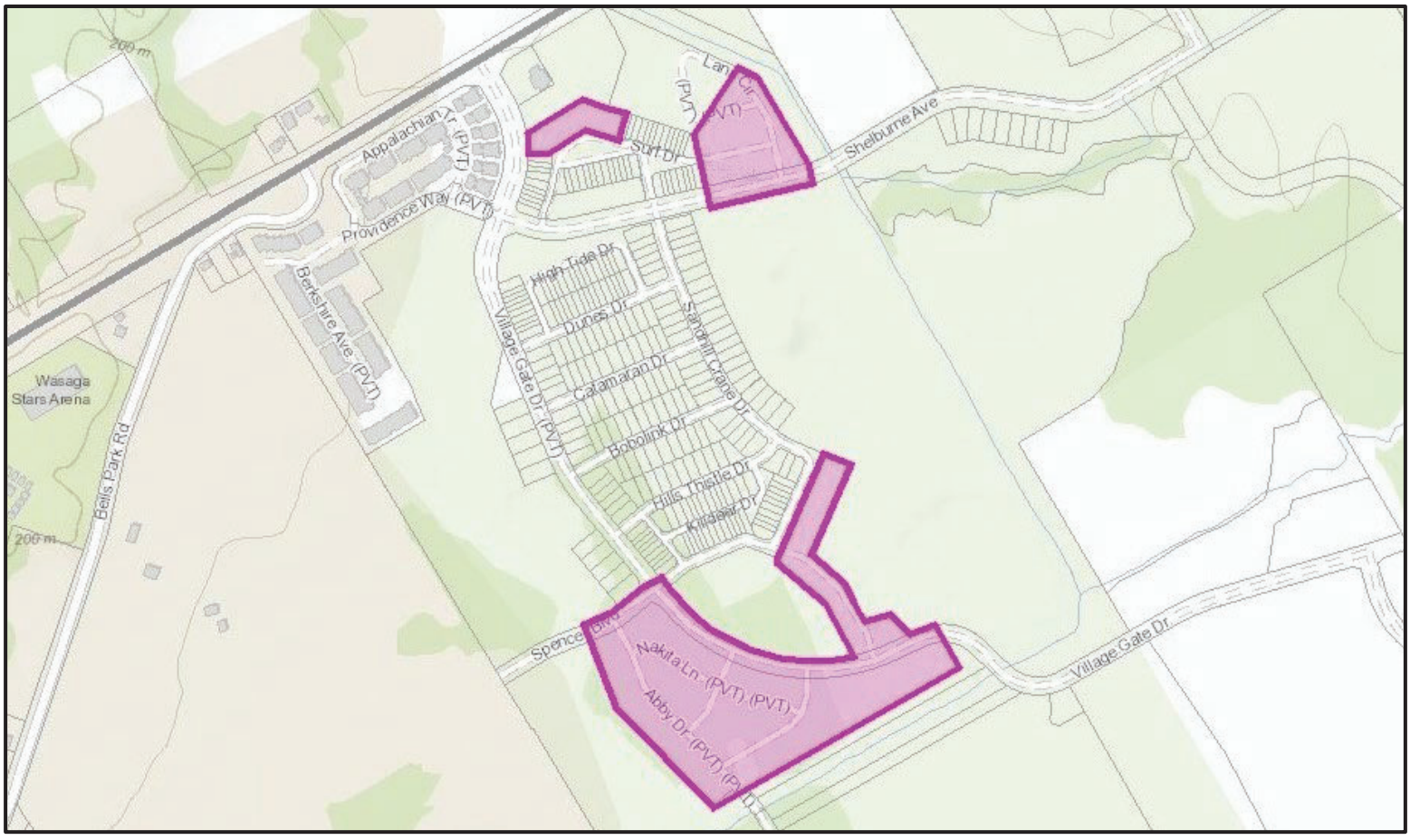
$1,222,984

2021 Net

$183,448

Scope of Project

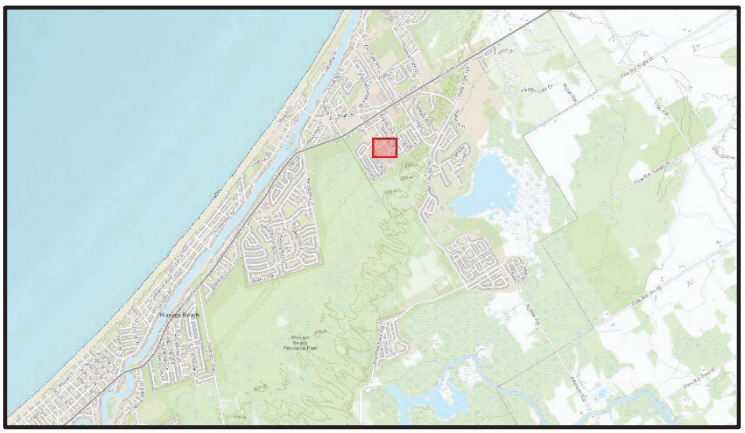
Lots	185
Transformers	19
Pri. conductor	3,554m
Sec. conductor	5,603m



Sterling Estates

Description

This project is expected to start late 2020, with more than 95% of the units already sold. The development is located off Westbury Road in the vicinity of the public works building. The homes will be a mix of detached homes and townhomes. When complete this project will also provide us with a loop feed to Berkley Street and Leslie Anne Drive.



Project Driver

System Access

Project Estimate

$412,327

2021 Gross

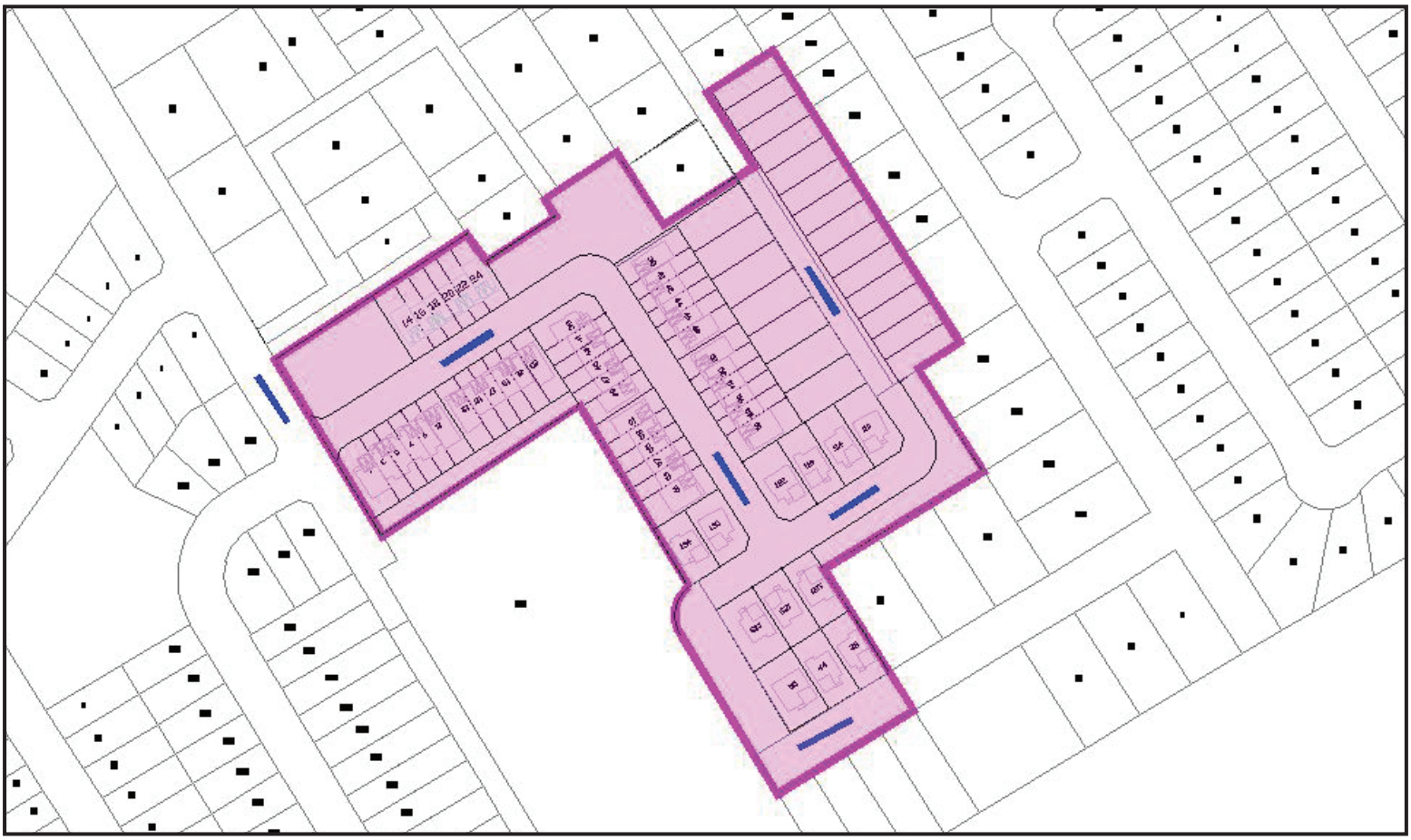
$412,327

2021 Net

$61,849

Scope of Project

Lots	70
Transformers	7
Pri. conductor	1,170m
Sec. conductor	3,043m



Sunnidale Trails Phase 1A

Description

This project has been in the planning stages for several years. It is located along Sunnidale Road and extends south to the town limits. It is the first phase of a very large development which consists of more than 2300 lots, including provisions for schools, and commercial buildings. The entire development will have mix load however phase 1 will be made up of residential detached homes and townhomes. There will also be built-in express feeds which can be used as backup or alternate feeds when required to do so in the future.

Project Driver

System Renewal

Project Estimate

$1,588,726

2021 Gross

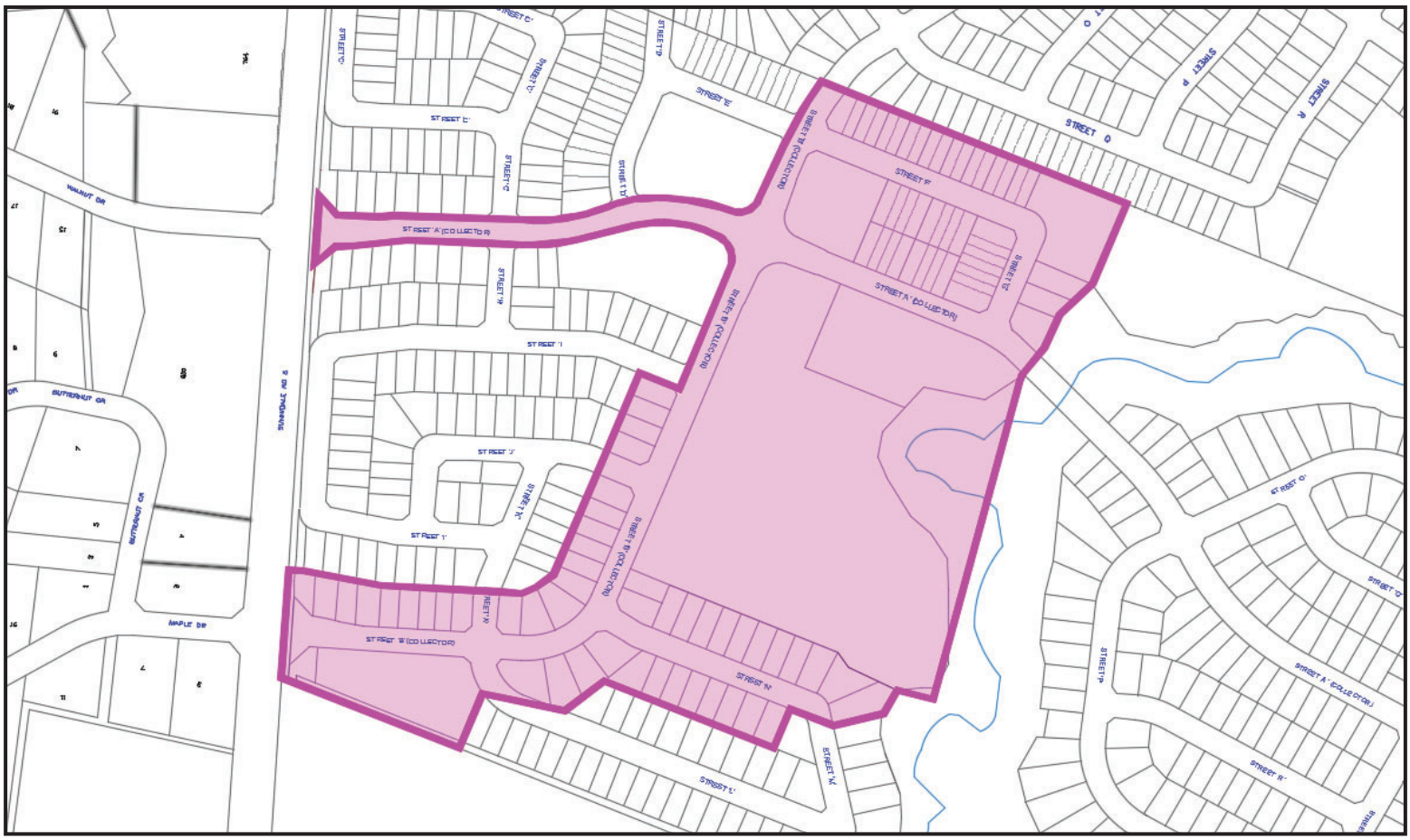
$699,040

2021 Net

$104,856

Scope of Project

Lots	179
Transformers	17
Pri. conductor	3,834m
Sec. conductor	4,290m
PHM units	6



Sunnidale Trails Pump Station

Description

This project is a requirement of the Sunnidale Trails development plan and must be in place prior to occupancy. The pump station will require 3 phase, 600V power and is underway. This project is located along Sunnidale Road across from Orchard Drive.

Project Driver

System Access

Project Estimate

$75,000

2021 Budget

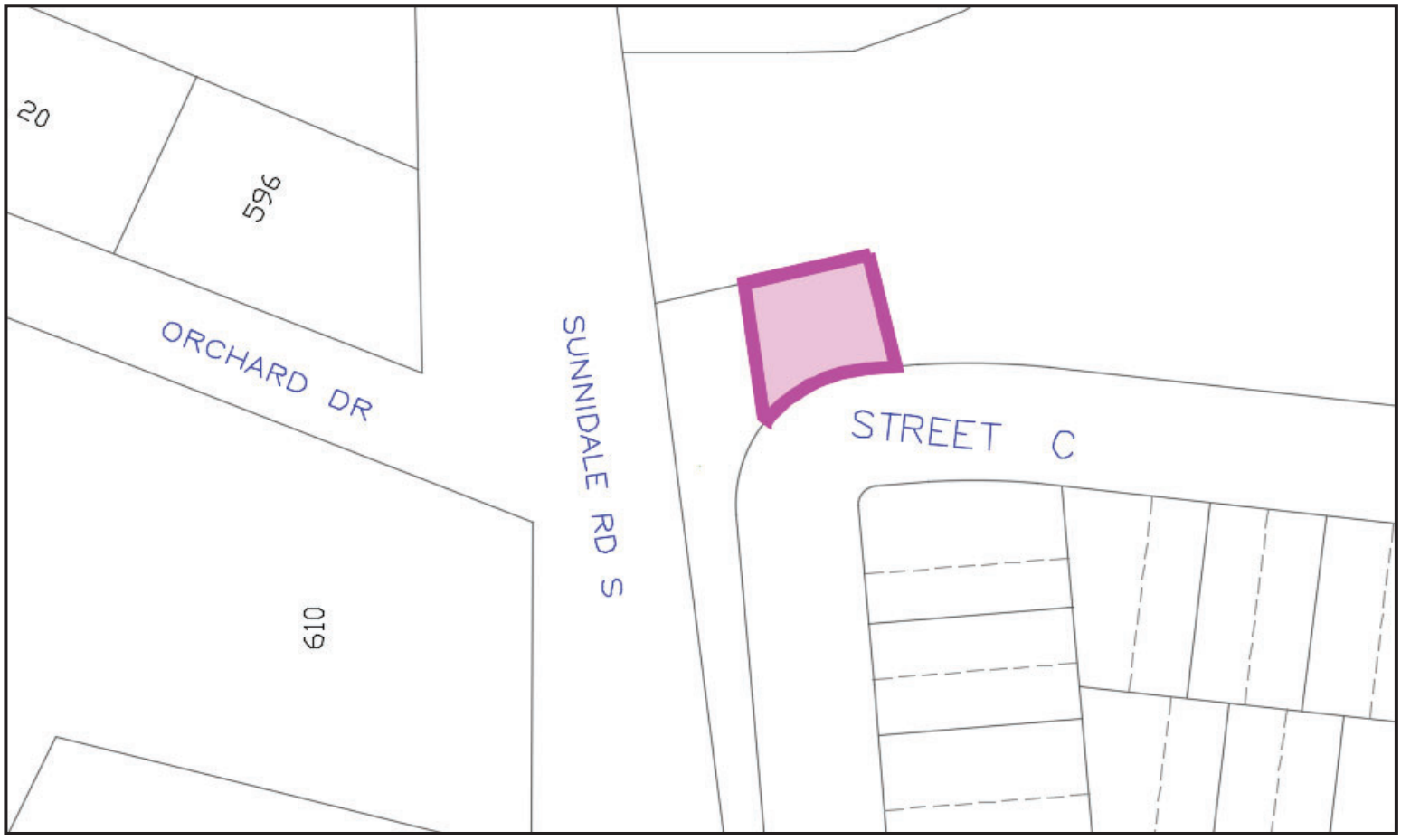
$75,000

2021 Net

$11,250

Scope of Project

Transformers 1



Stonebridge Blk 24

Description

This project is expected to start in 2021. These lots are located west of Stonebridge Blvd and will consist of townhomes exclusively.

Project Driver

System Access

Project Estimate

$ 313,451

2021 Budget

$ 313,451

2021 Net

$ 47,018

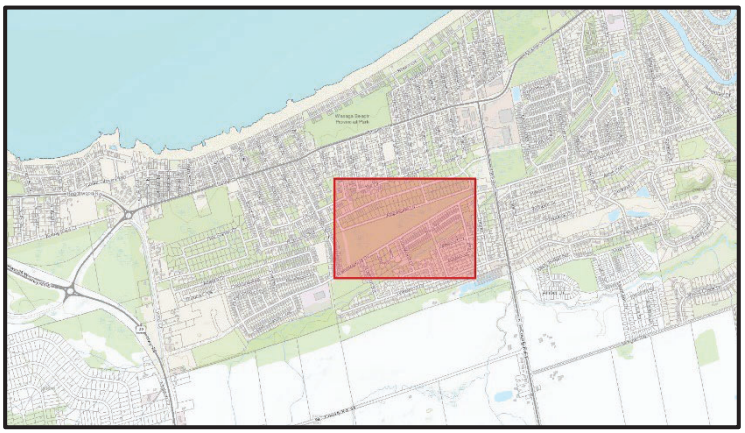
Scope of Project

Lots	48
Transformers	4
Pri. conductor	1,980m
Sec. conductor	1,570m
PHM units	2

Ramblewood Subdivision Phase 1

Description

This project is a 131 single dwelling subdivision located north of Ramblewood Drive. This project consists of two phases. Phase 1 is expected to begin mid 2021.



Project Driver

System Access

Project Estimate

$878,238

2021 Budget

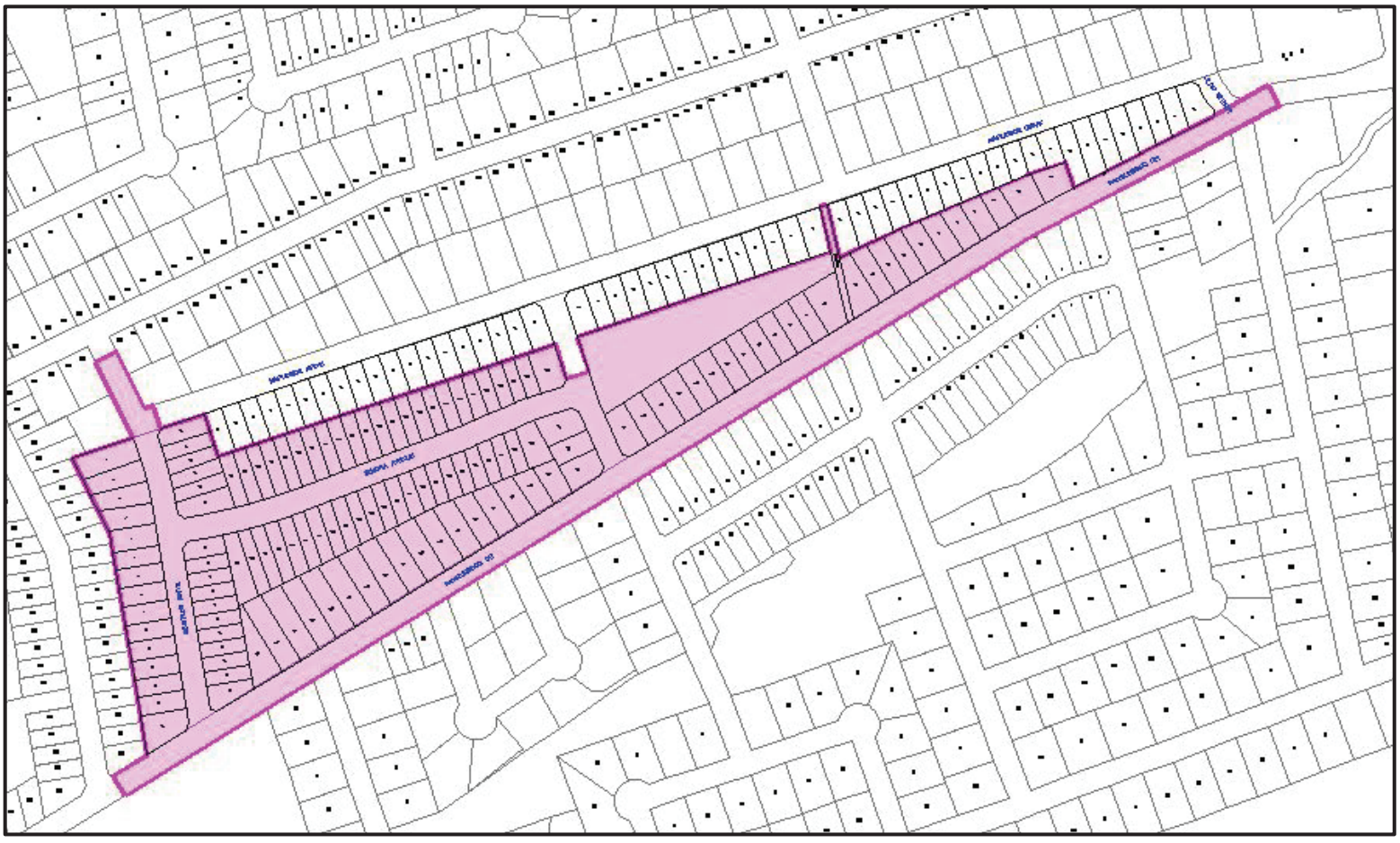
$439,119

2021 Net

$65,868

Scope of Project

Lots	131
Line Poles	1
Other Poles	0
Transformers	14
Pri. Conductor	2,305m
Sec. Conductor	5,295m



Klondike Park Road @ Judith

Description

This project has been initiated by the Town of Wasaga Beach. This is a road re-alignment at the corner of Klondike Park Road and Judith St. WDI poles have been identified in conflict with this road project. This project is expected to start in Q4 2020 and complete by Q1 2021.

Project Driver

System Access

Project Estimate

$44,964

2021 Budget

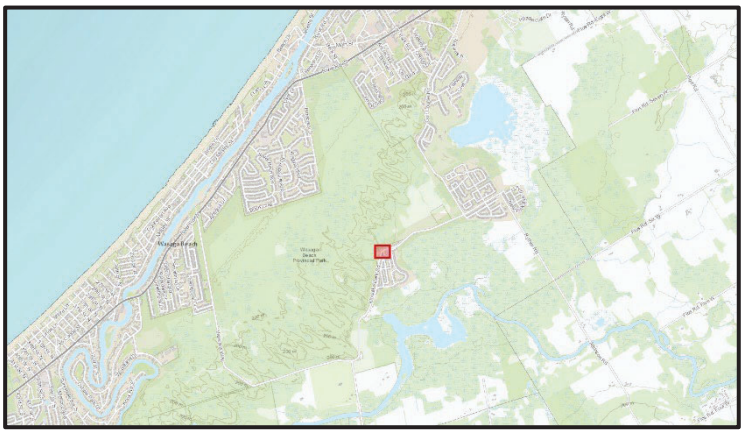
$44,964

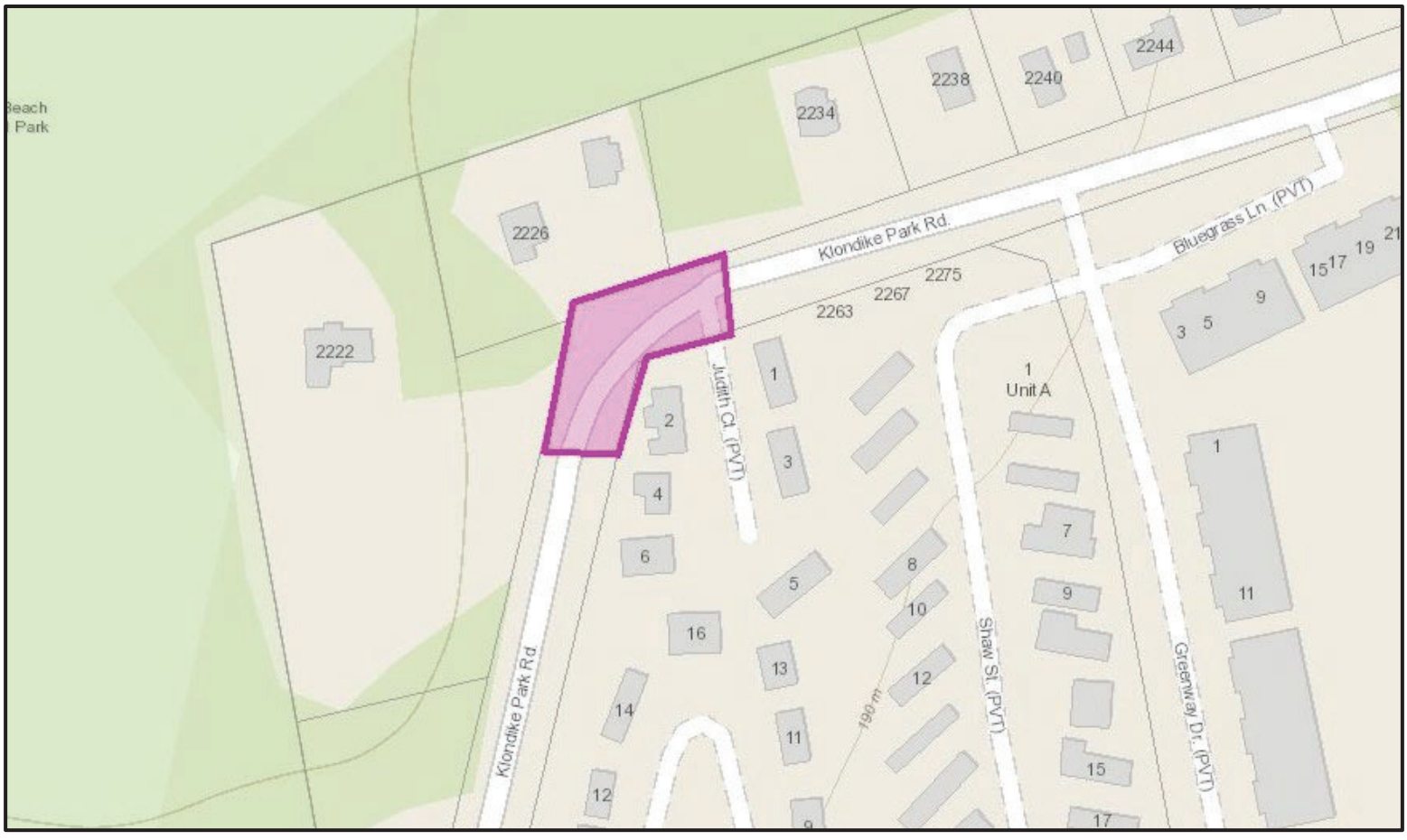
2021 Net

$22,482

Scope of Project

Line Poles	3
Other Poles	0
Transformers	3
Pri. Conductor	293m
Sec. Conductor	147m





River Road West – Veterans to Blueberry

Description

This project has been initiated by the Town of Wasaga Beach. This project entails road widening whereby WDI poles are in conflict with new road alignment. This project is expected to start in Q2 2021. As a result of heightened focus on renewal projects, this project has been identified to be outsourced to a third party contractor.

Project Driver

System Access

Project Estimate

$1,135,519

2021 Budget

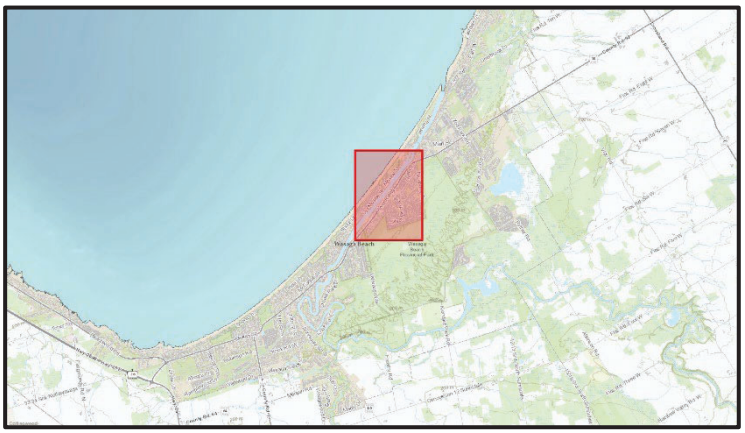
$1,135,519

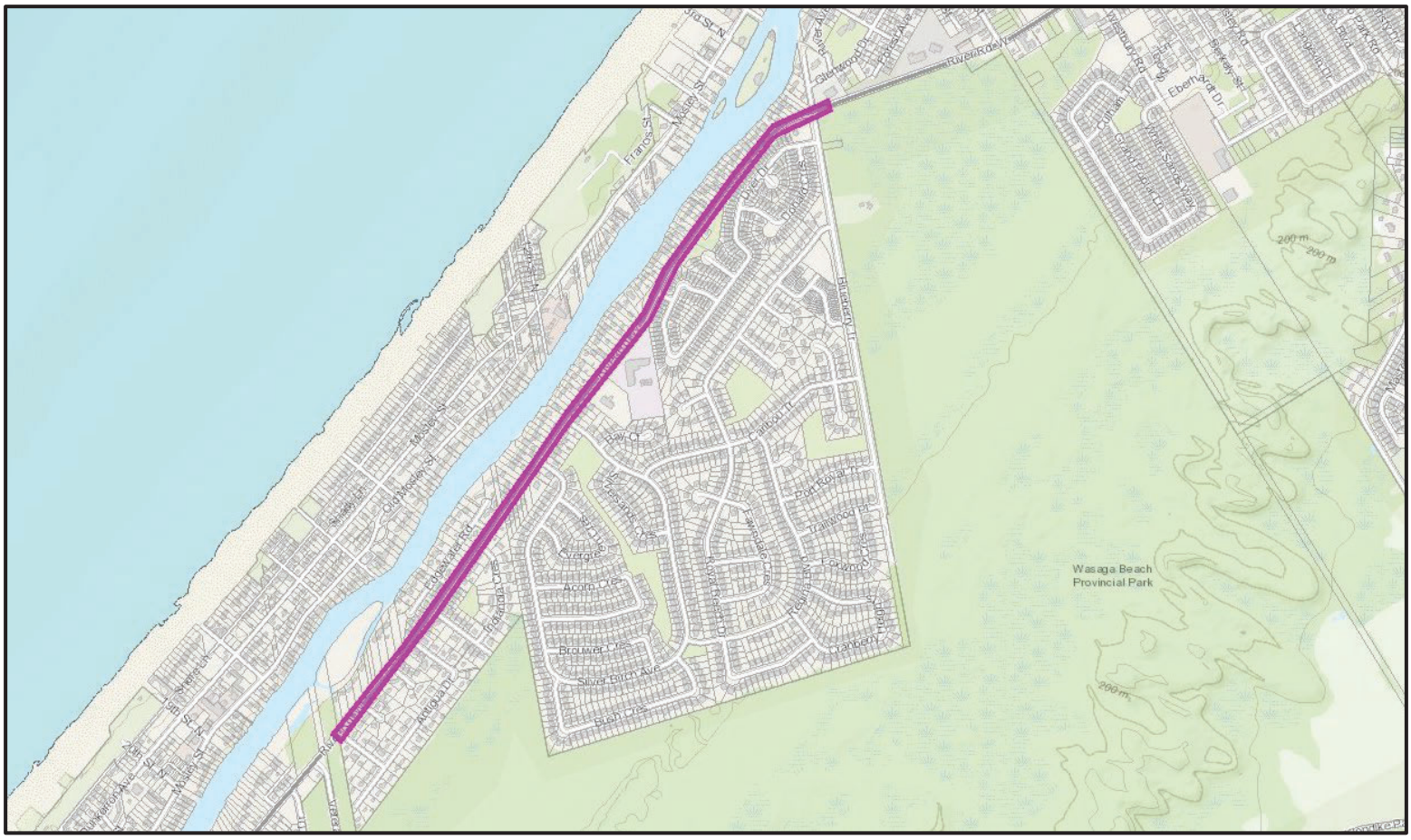
2021 Net

$567,760

Scope of Project

Line Poles	68
Other Poles	0
Transformers	18
Pri. Conductor	5,441m
Sec. Conductor	2,594m





304 Main Street

Description

This project is being driven by a Developer looking into adding a variety store and gas pumps at the corner of Main St. and River Road West including a bus load/unload lane. This project has caused conflict with WDI poles on River Road West. An estimate has been provided to the Developer, but project timeline is unknown.

Project Driver

System Access

Projet Estimate

$89,876

2021 Budget

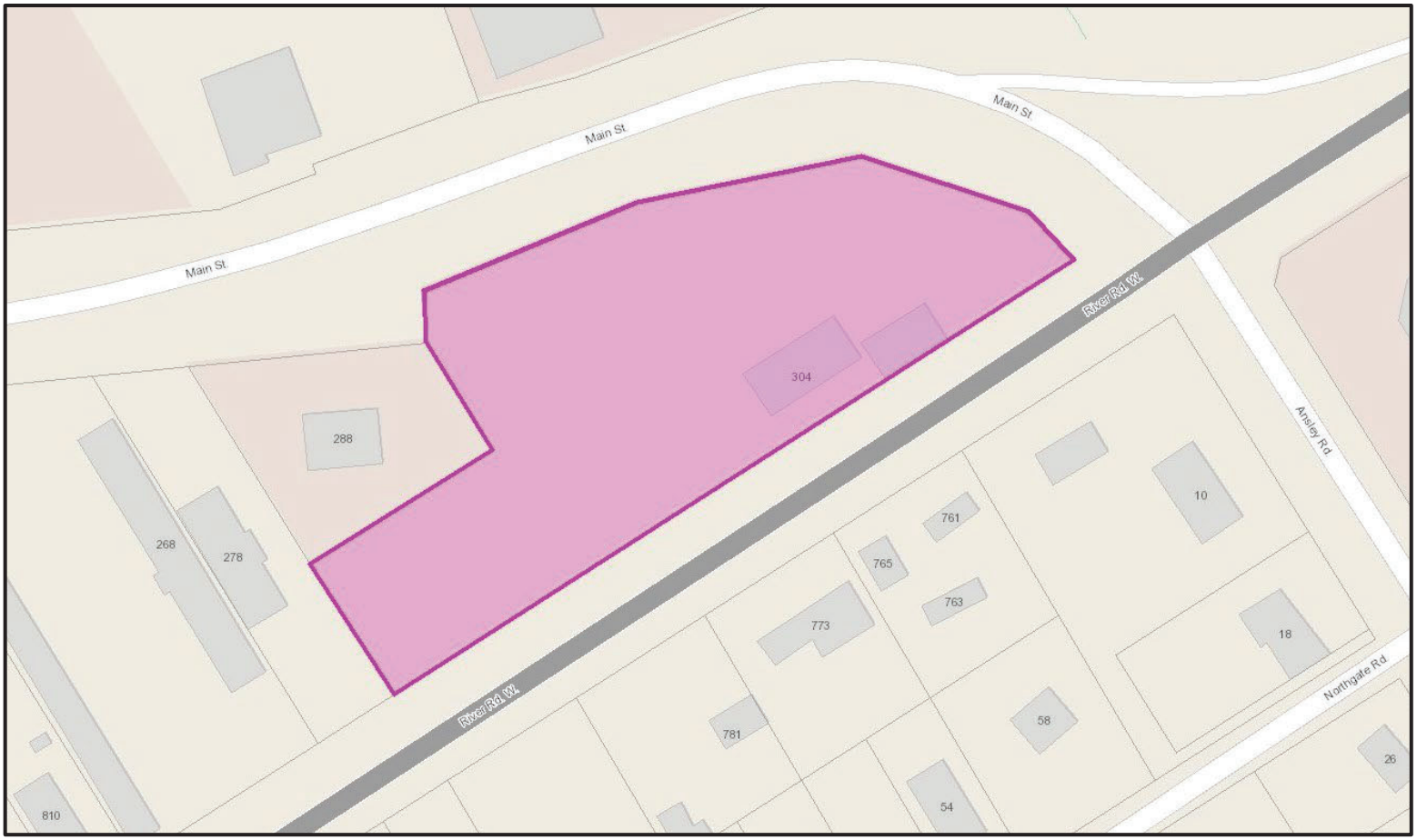
$89,876

2021 Net

$13,481

Scope of Project

Line Poles	4
Other Poles	0
Transformers	1
Pri. Conductor	492m
Sec. Conductor	347m



System Access: Other Programs and Projects

Metering

Description

Included in this program is the cost of labour and material for metering staff to populate the forecast of 350 new services .

New/Upgraded Services

Description

Included in these projects is the cost of labour and material for new and upgraded services, which include both residential and commercial lots in 2021.

Section 2 – System Renewal

System Renewal Investments:

Definition

System renewal investments involve replacing and/or refurbishing system assets to extend the original service life of the assets and thereby maintain the ability of the distributor's distribution system to provide customers with electricity services.

Overview of System Renewal Projects

This budget proposes to update the aged distribution plant as identified in the Distribution System Plan. These projects were chosen with the objective of replacing the oldest assets in WDI's system. The main goal will be to replace approximately 120 poles, however this will also involve the upgrading of transformers and conductors at the same time. Identified individual projects are shown on the following slides.

Summary of System Renewal Projects – 2021

Projects with map visual:

Project Name	Total Cost	Description Slide
Sunnidale Road South	$449,574	19
Knox Road West - Pauline to Sunnidale	$163,666	20
Knox Road West - 45th to Meadowlark	$165,334	21
Baysands - 61st St N area	$171,717	22
Bridge Duct - One side, new cables	$400,000	23

Other Projects and Program:

Project Name	Total Cost
Metering (replacements)	$27,180
Miscellaneous Poles (30)	$193,479
Miscellaneous Transformers (25)	$187,884

Sunnidale Road South

Description

This project has been identified as an area with many end of life assets, and is a key feeder in the central portion of the town. The project is located on Sunnidale Road South between Mosley Street and Knox Road. The project will consist of replacing the poles with taller higher class poles, increasing conductors size to allow for greater capacity and upgrading aged transformers. This work will increase efficiencies lower losses and provide a more robust feeder when required.

Project Driver

System Renewal

Project Estimate

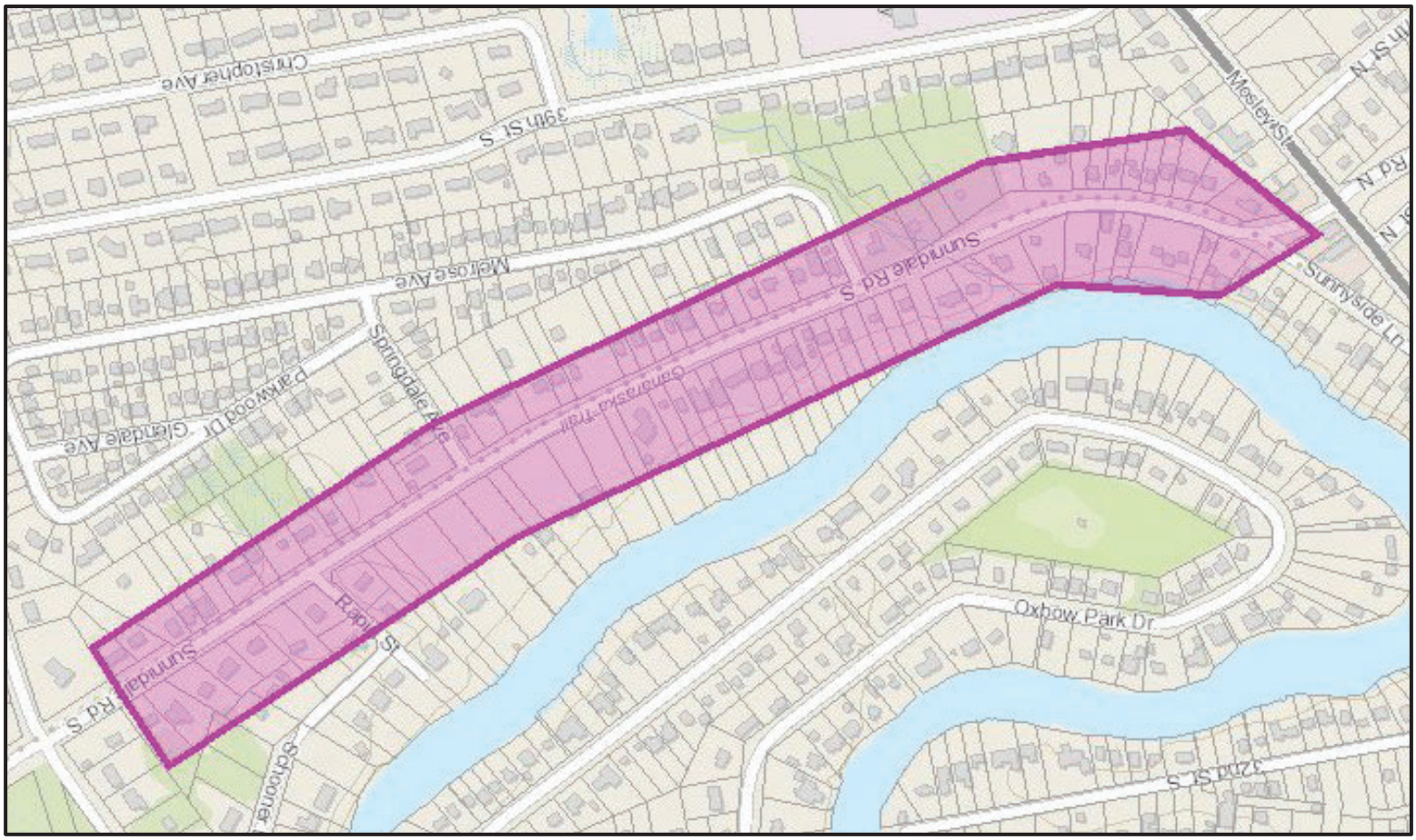
$449,574

2021 Budget

$449,574

Scope of Project

Line Poles	30
Other Poles	22
Transformers	8
Pri. Conductor	810m
Sec. Conductor	1958m



Knox Road West (Pauline to Sunnidale)

Description

This project was identified through visual inspections where it was noted a particularly large number of cracks and woodpecker holes were observed on the poles along Knox Road West between Sunnidale Road and Pauline Place. The scope of this project is to replace the first 7 poles west of Sunnidale Road, which also includes our main 44KV feed throughout our distribution service territory.

Project Driver

System Renewal

Project Estimate

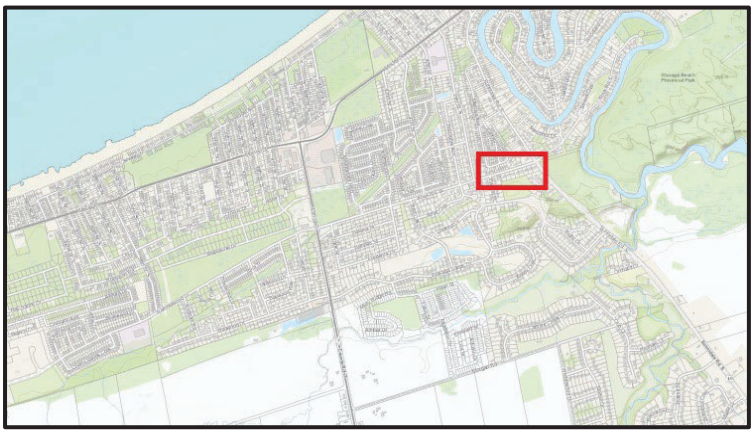
$163,666

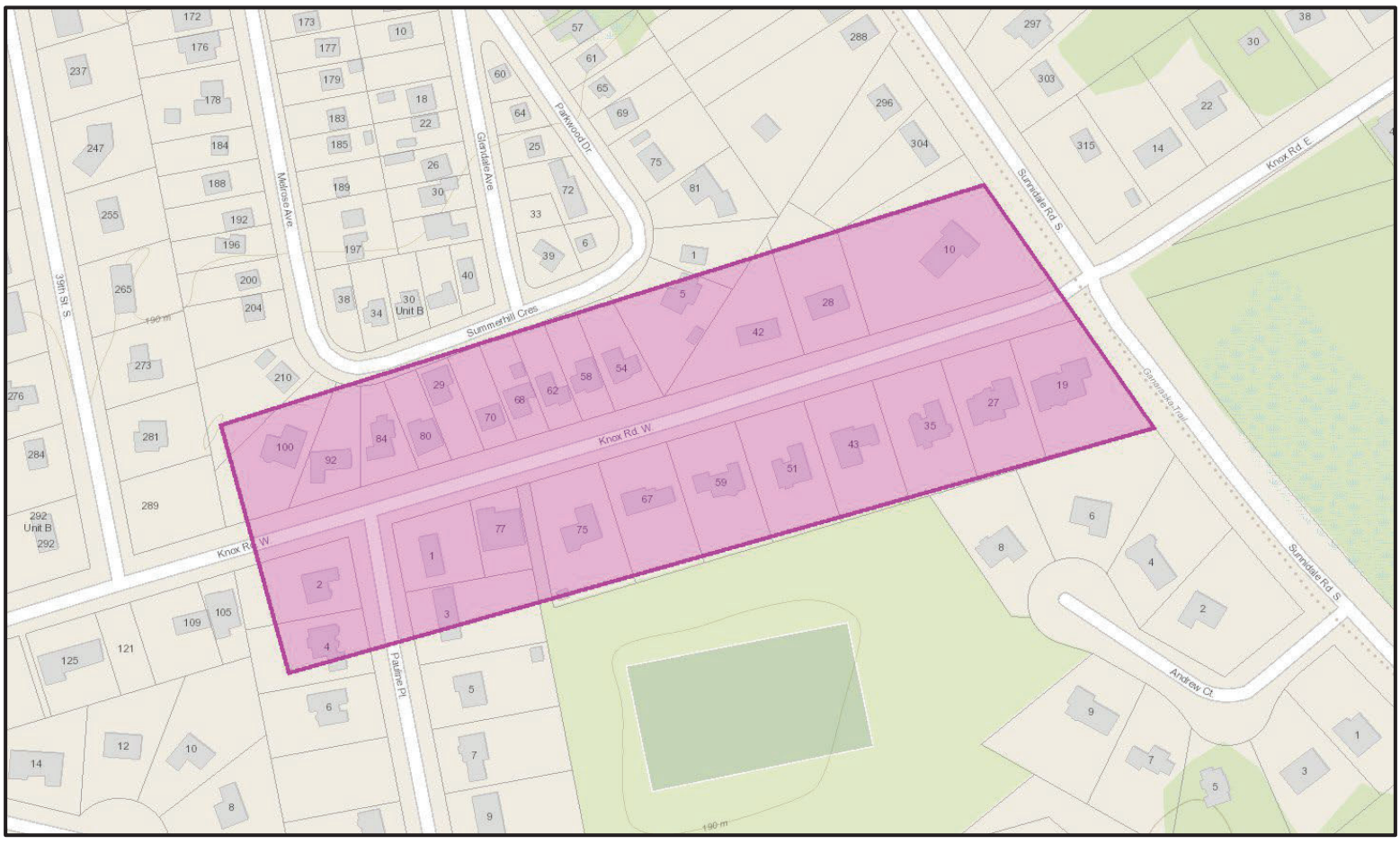
2021 Budget

$163,666

Scope of Project

Line Poles	7
Service Poles	0
Transformers	2
Pri. Conductor	640m
Sec. Conductor	489m





Knox Road West (45th to Meadowlark)

Description

The need for this project has been identified as both efficiency and reliability. The scope of the work is to re-route the 44kV feed to our MS#3 substation on Knox Road West to simplify routing which will result in better accessibility and reliability at a critical junction of our distribution system. In doing so, we will also benefit from replacing aged assets. The project is located along Know Road West from 361 Knox road West to 45th Street South.

Project Driver

System Renewal

Project Estimate

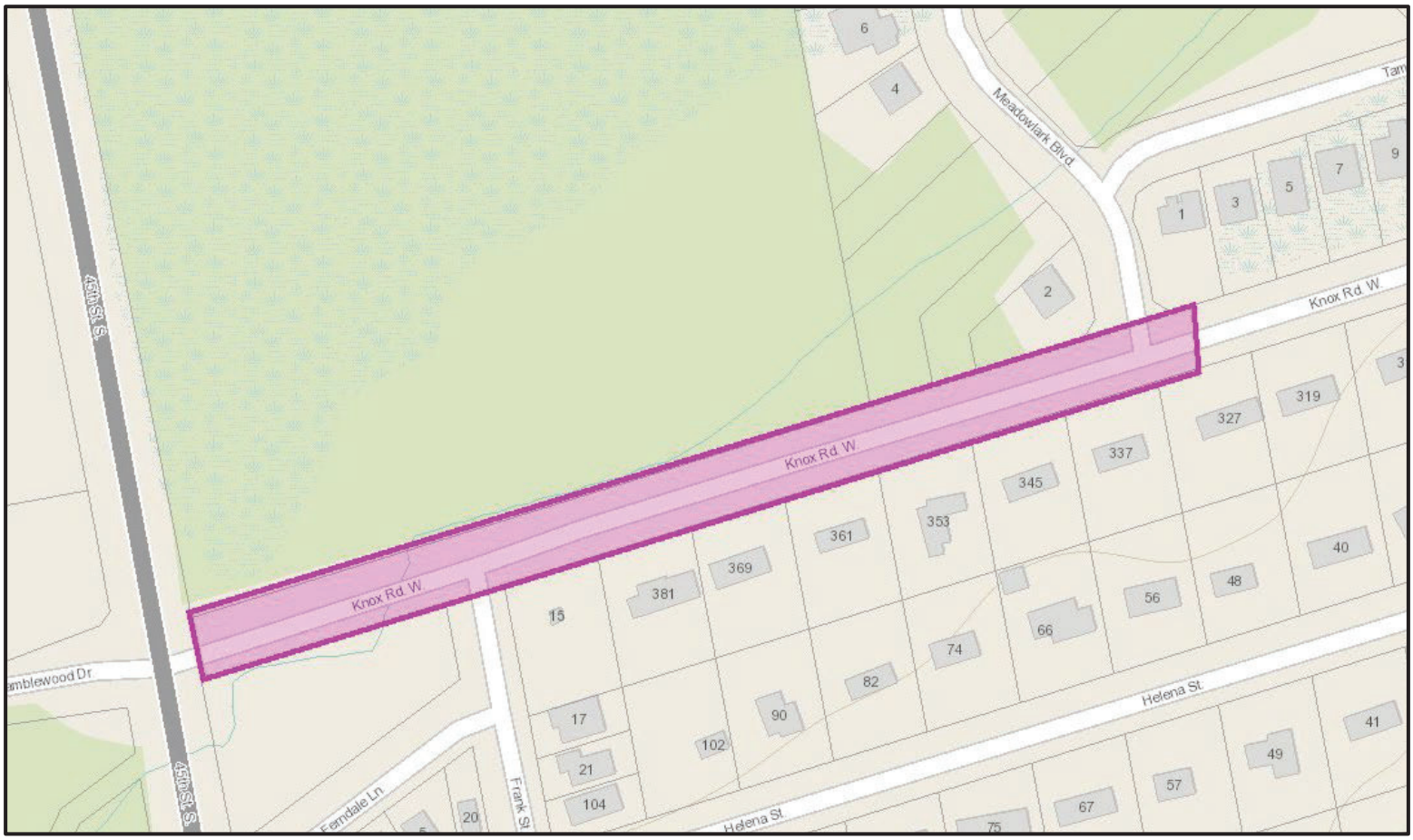
$165,334

2021 Budget

$165,334

Scope of Project

Line Poles	10
Other Poles	1
Transformers	0
Pri. Conductor	945m
Sec. Conductor	438m



Baysands – 61st St N

Description

This project has been initiated by the Town of Wasaga Beach. This project is being driven through a stormwater management initiative at Baysands, which includes road widening, curb and gutter installation. This project scope has created conflict with WDI poles on Shorelane Drive between 61st N and 64th St. N. This project is expected to be initiated Q2 2021.

Project Driver

System Renewal

Project Estimate

$171,717

2021 Budget

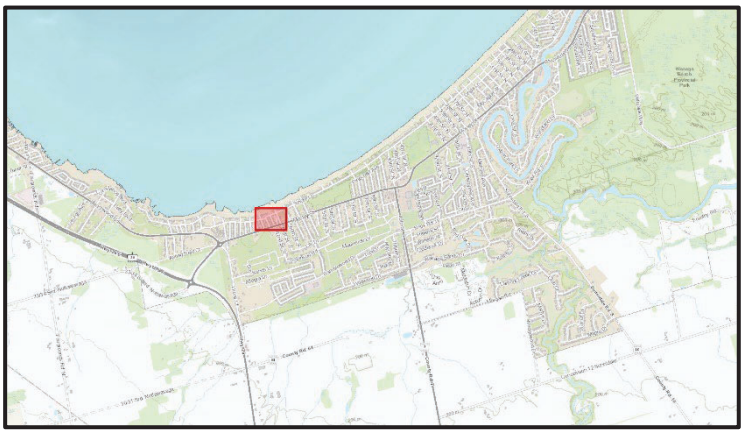
$171,717

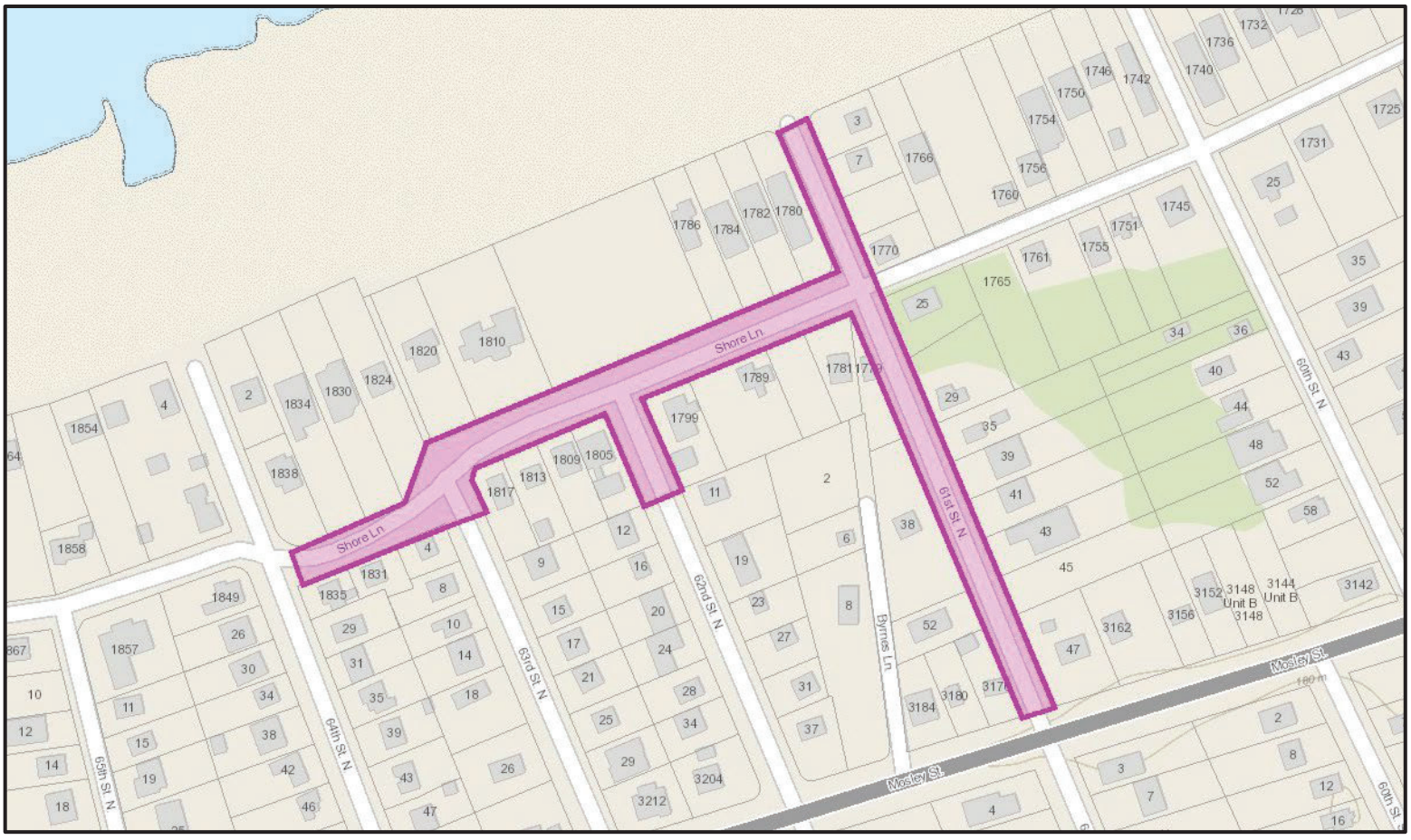
2021 Net

$154,545

Scope of Project

Line Poles	19
Other Poles	0
Transformers	2
Pri. Conductor	362m
Sec. Conductor	861m





Bridge Duct

Description

This project was initiated by the Town of Wasaga Beach, through the Main St. Bridge Refurbishment, in which our existing cables and ducts required replacement. The intent is to install 4 additional ducts for future expansion. The bridge refurbishment is currently underway, expected to be complete Q2 2021, with WDI work complete by Q4 2021.

Project Driver

System Renewal

Project Estimate

$400,000

2021 Budget

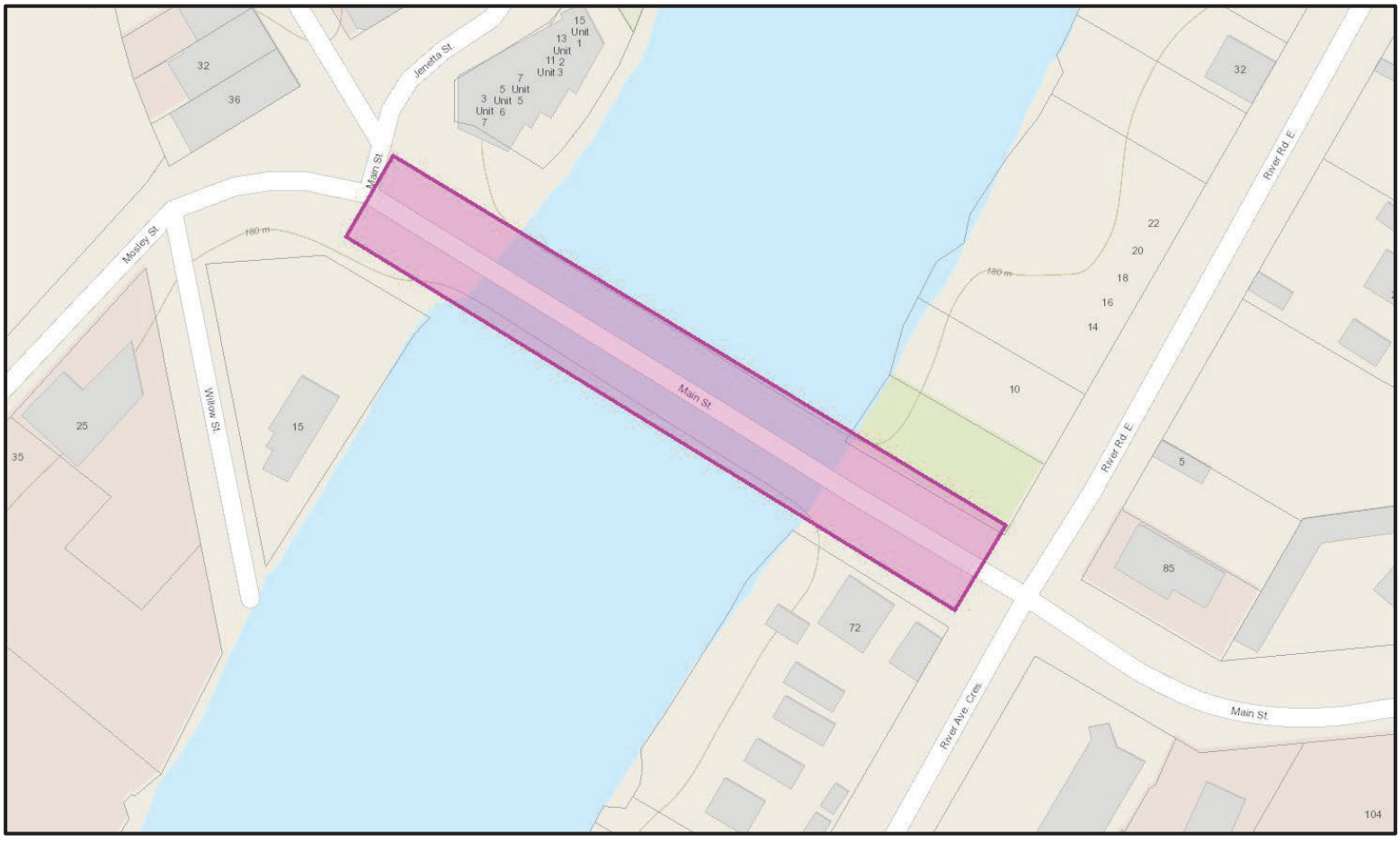
$400,000

2021 Net

$300,000

Scope of Project

4” DB2 Duct : 8
Duct Length : 840m
Primary Conductor : 960m



System Renewal: Other Programs and Projects

Pole Replacement

Description

This program covers individual poles that have been identified as need to be replaced, or poles damaged through motor vehicle accidents and weather events. These are poles that have not been identified in pole line replacement projects.

Transformer Replacement

Description

This program covers individual transformers that have been identified as needed to be replaced and are not part of pole line replacement projects.

Metering

Project Name	Total Cost
Reverification/Misc. Meter Purchase (Single & Polyphase)	$77,800

Section 3 – System Service

System Service Investments:

Definition

System service investments are modifications to a distributor's distribution system to ensure the distribution system continues to meet distributor operational objectives while addressing anticipated future customer electricity service requirements.

Overview of System Service Projects

This budget proposes the addition of a new substation to service future load requirements of the anticipated Sunnidale Trails development along Sunnidale Road. Along with an express feeder to complement existing loads. Individual projects are shown on the following slides.

Summary of System Service Projects – 2021

Projects with map visual:

Project Name	Total Cost	Description Slide
MS#6 Substation - Sunnidale Road	$ 1,000,000	30

Other Projects and Program:

Project Name	Total Cost
SCADA Radio Equipment	$ 50,000
New Load Break Switch- Knox Road West	$ 60,000
PME	$ 100,000
Station Revenue Metering	$ 12,500

Sunnidale Road Substation

Description

Wasaga Distribution Inc has identified the need for additional capacity requirements when load to the Sunnidale Trails development comes to fruition. From the planning stage to the commissioning stage of a substation could be between 12-18 months. The project will be budgeted over the next couple of years with design and engineering scheduled to take place in 2021. The intent is to have 80% construction completion by the end of 2021 with transformer delivery, installation and commissioning to take place in Q2 2022. WDI is proposing a 10MVA transformer with 4 feeders. This station also provides the ability to backup and transfer load between existing stations, which will be critical when completing the replacement of the transformer at existing station on Knox Road West (MS#3). The Sunnidale Road Substation will ensure Wasaga Distribution Inc. has the assets in place to service these future customers. Lands for this station have been designated to WDI from the Developer.

Project Driver

System Service

Project Estimate

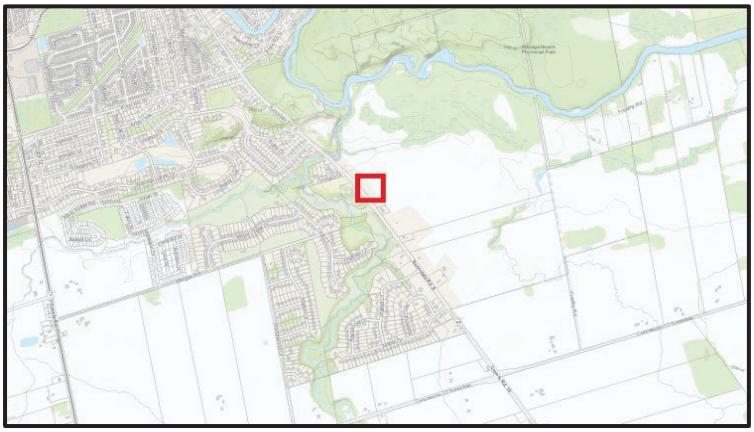
$2,000,000

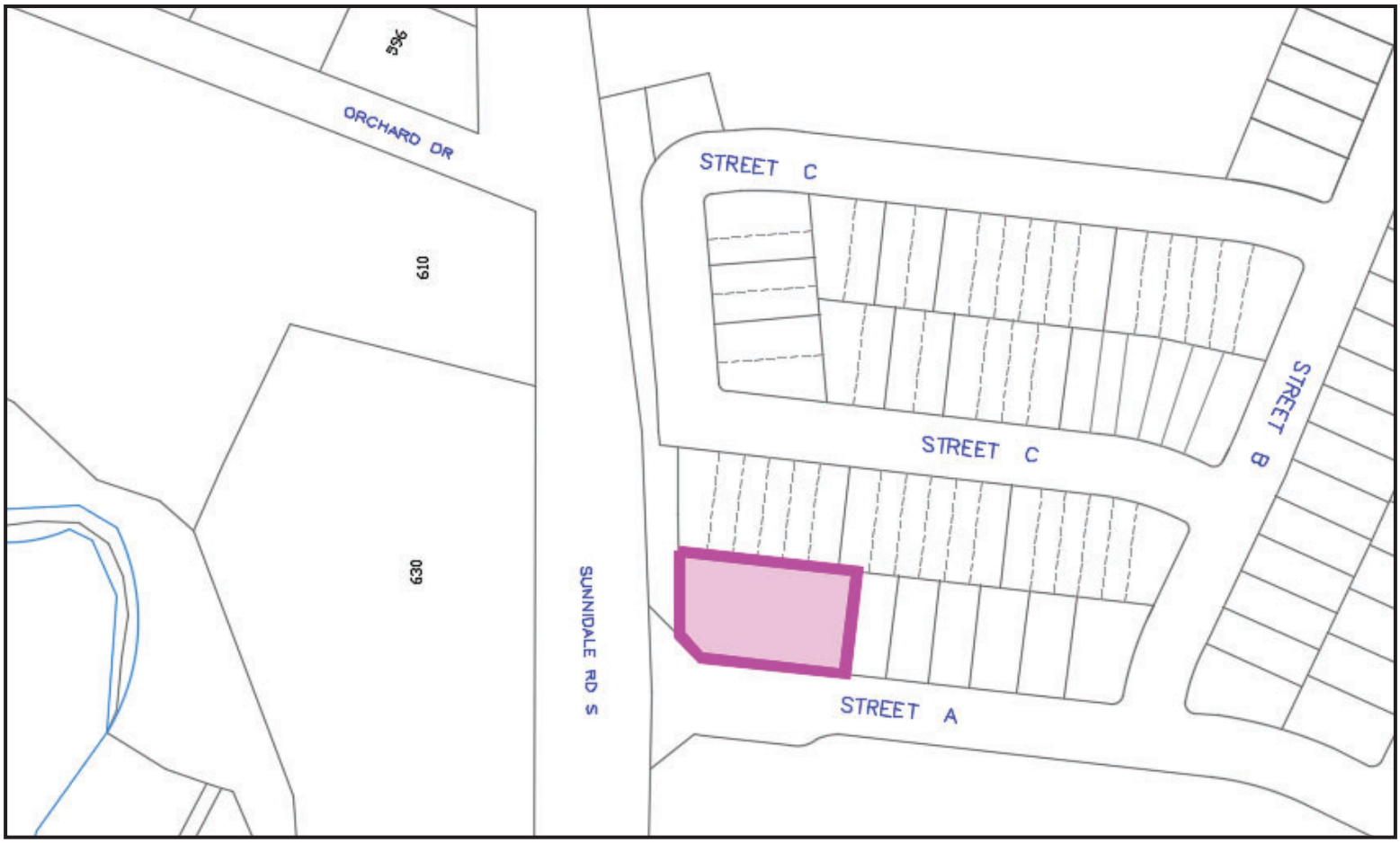
2021 Budget

$1,000,000

Scope of Project

Design
Ground Study
Contractor Tendering
Equipment Order





System Service: Other Programs and Projects

SCADA Radio Equipment

Description

This project will provide SCADA radio communication with the new MS6 station as well as upgrading aged equipment at MS2 and MS4. MS2 and MS4 radio equipment is expected to be upgraded by Q2 2021.

Load Break Switch

Description

This project will enhance our ability to transfer load between existing and new facilities. It will be installed on the 44kV system and will be completed when work on the Knox Road West project is completed.

PME

Description

As a result of a PME failure on the Stayner M4 44kV feed from Hydro One, a new PME unit will arrive in 2021 to replace the backup unit that was used as a result of the failure. Through WDI's collaboration in the CHEC Group, a backup PME was made available to WDI which avoided significant complexities related to IESO billing associated with an unmetered feed.

Section 4 – General Plant

System Service Investments:

Definition

System plant investments are modifications, replacements or additions to a distributor's assets that are not part of its distribution system including land and buildings, tools and equipment, rolling stock and electronic devices and software used to support day to day business and operations activities.

Overview of System Service Projects

This budget proposes modifications to the office/shop. It also has provisions for repairs to the concrete floor at the shop and storage facilities. A storage bin has also been provisioned for the purpose of storing meter components, hot water tanks, etc.

Summary of General Plant Projects – 2021

Other Projects and Program:

Project Name	Total Cost
Office/Shop Modifications	$ 35,000
Storage Bin	$ 10,000

Attachment 3

2022 Capital Budget
Report

Wasaga Distribution Inc.

2022 Capital Budget Report

To: Wasaga Distribution Board

Date Submitted: November 18, 2021

Prepared By: Paul Trace CET **Date:** November 11, 2021

Reviewed By: Finance and Audit Committee **Date:** November 18, 2021

Asset Assessment

As directed by the Ontario Energy Board (OEB), Wasaga Distribution Inc. has developed a formal asset management planning structure to help ensure the prudent management of our assets on behalf of our customers. The 2022 Capital Budget Plan has been developed using the 2016 – 2020 Distribution System Plan as a reference. An updated 2021 -2025 Distribution System plan is currently under development. The Distribution System Plan (DSP) outlines the desired methodology to evaluate our assets. This methodology provides a framework to link our core values directly to the way we manage our system.

Capital Project Prioritization

After determining the extent of the proposed projects, statistics on the number of included assets were determined for each project to facilitate budget numbers.

Capital Project Categories

The proposed capital projects can be placed into one of four categories based on the primary motivation for completing the project. The categories are as follows:

Category	Gross	Expected Capital Contribution	Net
System Access	$ 5,875,801	$ 4,684,649	$ 1,191,152
System Renewal	$ 1,131,704	$ -	$ 1,131,704
System Service	$ 1,430,207	$ -	$ 1,430,207
General Plant	$ 95,000	$ -	$ 95,000

Section 1 – System Access

System Access Investments:

Definition

System access investments are modifications (including asset relocation) to a distributor's distribution system a distributor is obligated to perform to provide a customer or group of customers with access to electricity services via the distribution system.

Overview of System Access Projects

This budget provides for the development of 695 new residential and commercial development connections, in addition to the twin pad arena and municipality initiated projects. System Access projects are identified based on projected implementation as communicated by Developers. A level of risk exists with realization of these projects. This category also includes the cost of metering and works for new and upgraded services, which include both residential and commercial lots in 2022.

Summary of System Access Projects – 2022

Projects with map visual:

Project Name	Total Cost	Description Slide
River's Edge Sub.- Phase 1 Stage 1	$ 2,521,775	6
Sunnidale Trails Sub. Phase 1A	$ 1,543,294	7
ELM Development Phase 1 - Stage 2 (50%)	$ 399,463	8
Ramblewood Sub Phase 1 - Stage 1 (50%)	$ 321,716	9
Joanne Crescent Sub.	$ 117,553	10
Sunnidale Trails Phase 1C	$ 104,326	11
304 Main Street (RRW - pole relocations)	$ 86,928	12
Burger King Restaurant	$ 63,235	13
River Road West - South Side Completion	$ 59,195	14
Wendy's Restaurant	$ 51,116	15
3219 Mosley St.	$ 41,200	16
Casino	$ 3,000	17
Twin Pad Arena	$ 3,000	18

Other Projects and Program:

Project Name	Total Cost
New Service/Upgraded Service	$ 300,000
Metering (Other)	$ 235,000
MVA/Streetlights	$ 25,000

River's Edge Sub. - Phase 1 Stage 1

Description

This project has been in the planning stages for several years. It is located along Sunnidale Road South with the Nottawasaga River as its northern border. It is the first phase of a very large development which consists of more than 2300 lots, including provisions for schools, and commercial buildings. The entire development will have mix load however phase 1 will be made up of residential detached homes and townhomes. There will also be built-in express feeds from the new municipal station MS#6 that can also be used as backup or alternate feeds when required to do so in the future.

Project Driver

System Access

Project Estimate

$2,521,775

2022 Budget

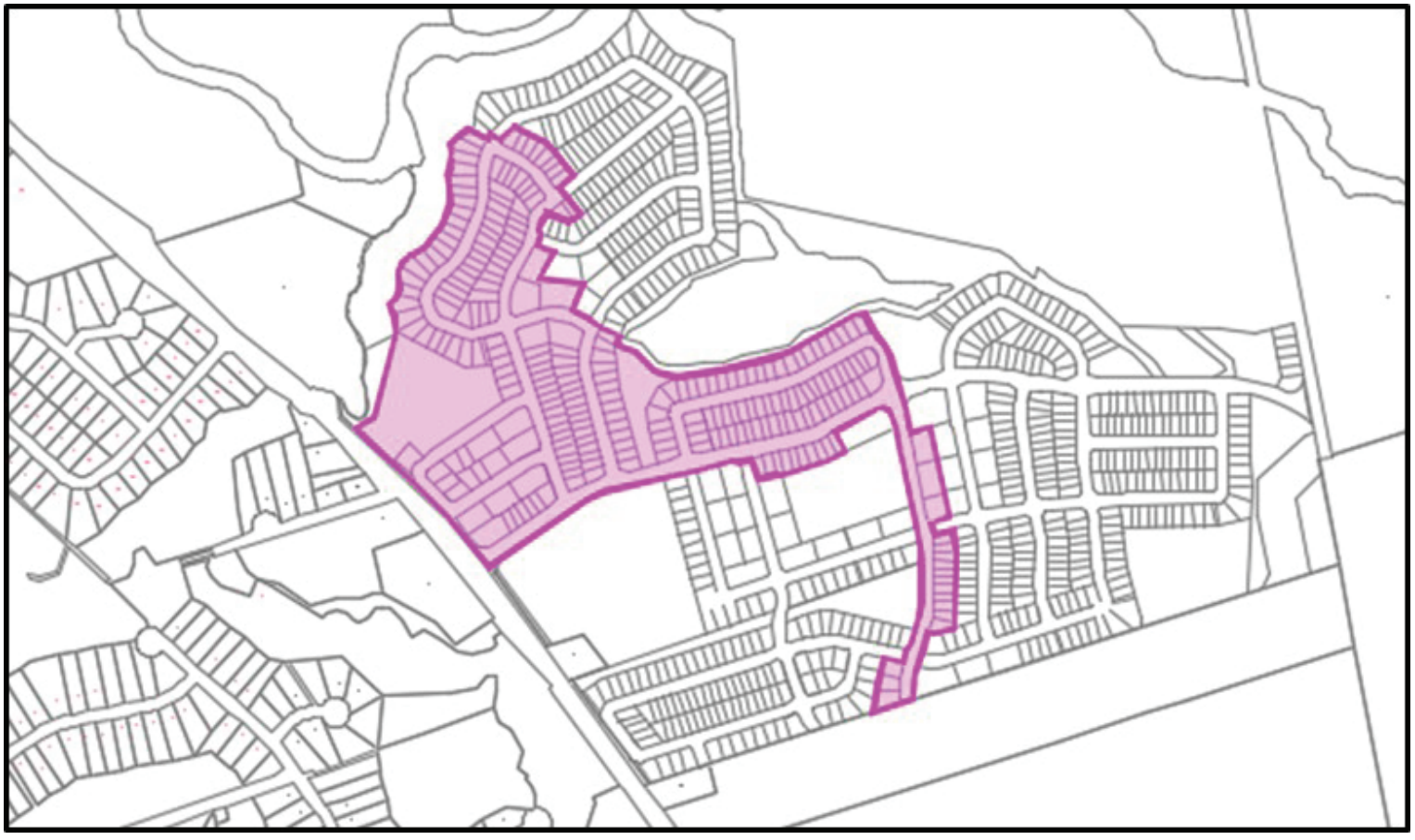
$2,521,775

2022 Net

$378,266

Scope of Project

Lots	330
Transformers	38
Pri. conductor	11,479 m
Sec. conductor	10,600 m
PHM units	5



Sunnidale Trails Sub. Phase 1A

Description

This project has been in the planning stages for several years. It is located along Sunnidale Road and extends south to the town limits. It is the first phase of a very large development which consists of more than 2300 lots, including provisions for schools, and commercial buildings. The entire development will have mix load however phase 1 will be made up of residential detached homes and townhomes. There will also be built-in express feeds from the new municipal station MS#6 that can also be used as backup or alternate feeds when required to do so in the future.

Project Driver

System Access

Project Estimate

$1,543,295

2022 Budget

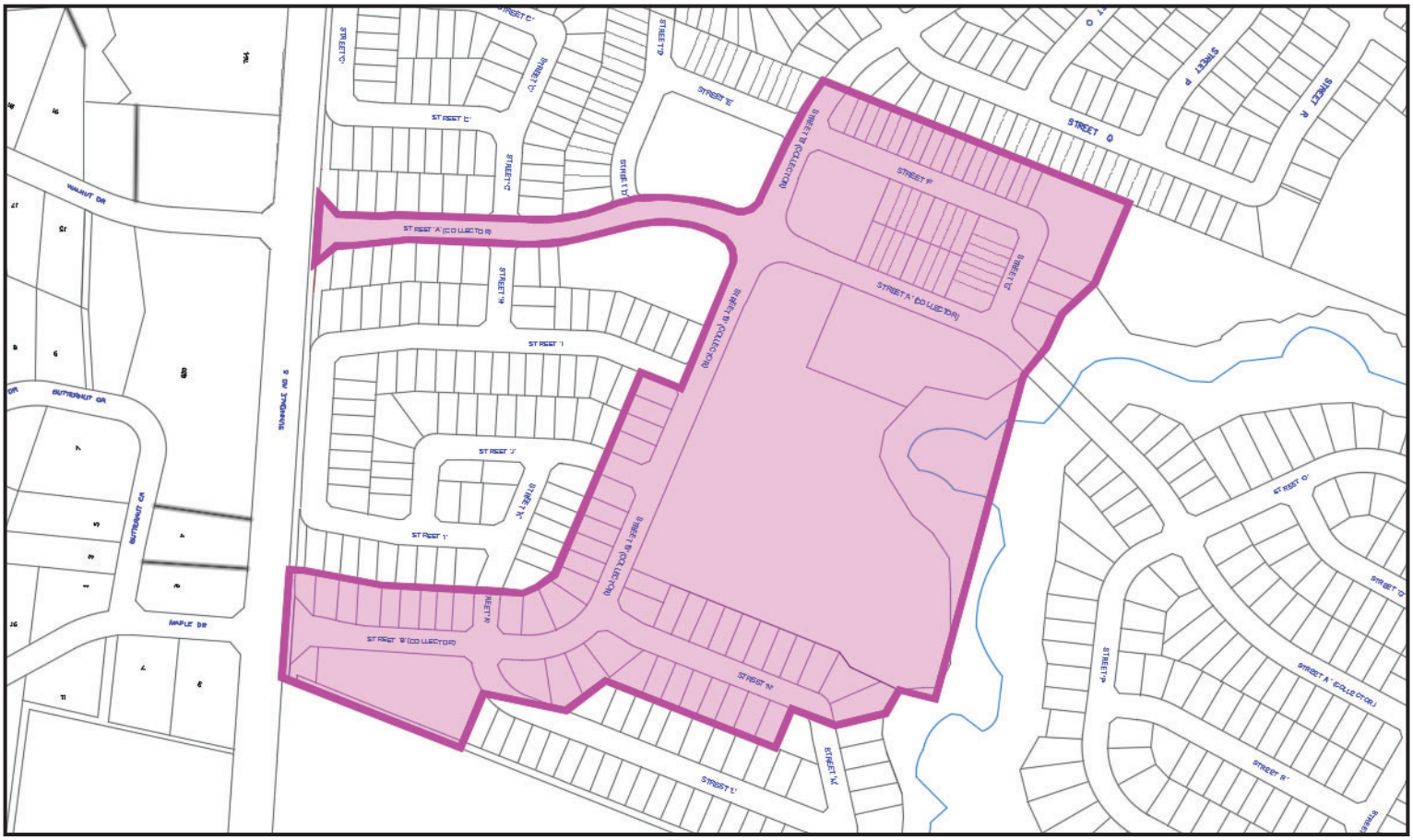
$1,543,295

2022 Net

$231,494

Scope of Project

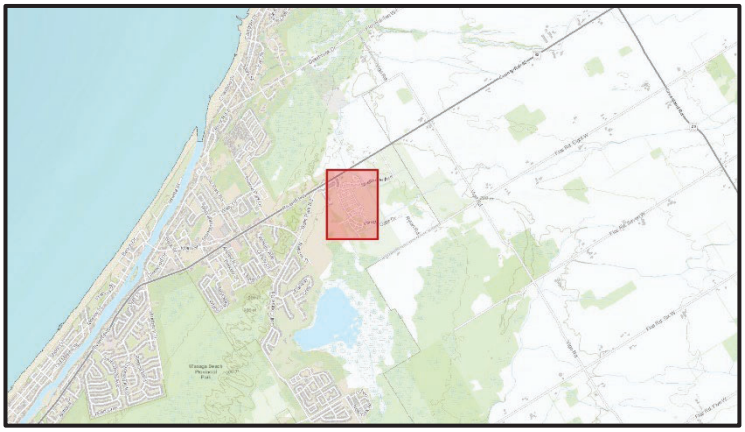
Lots	134
Transformers	11
Pri. conductor	4,826 m
Sec. conductor	3,218 m
PHM units	4



ELM Development Phase 1 Stage 2 (50%)

Description

This project is Stage 2 of Phase 1 of a development that started a few years ago. It is located south of River Road West through Village Gate Drive. Stage 2 consists of 185 lots. This development is a mix of detached homes and townhomes, with occupancy expected in 2022.



Project Driver

System Access

Project Estimate

$798,926

2022 Budget

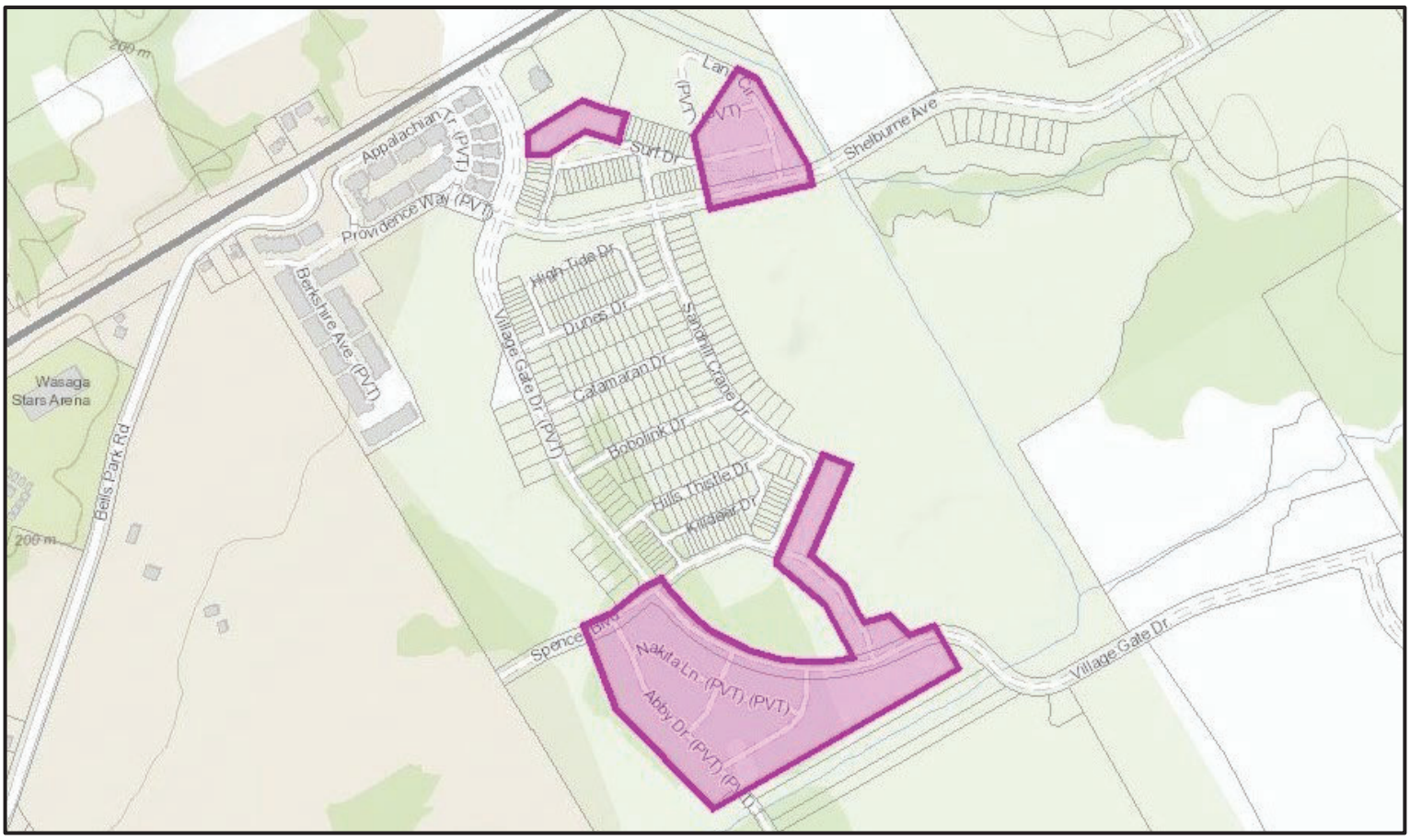
$399,463

2022 Net

$59,919

Scope of Project

Lots	94
Transformers	10
Pri. conductor	2,177 m
Sec. conductor	2,801 m



Ramblewood Sub. Phase 1 (50%)

Description

This project is a 132 single dwelling subdivision located north of Ramblewood Drive. This project consists of two phases. Phase 1 was started in 2021 and is expected to wrap up in 2022.

Project Driver

System Access

Project Estimate

$643,432

2022 Budget

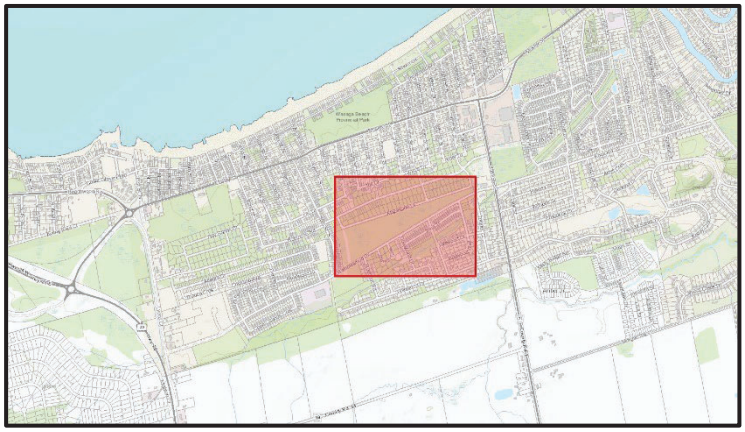
$321,716

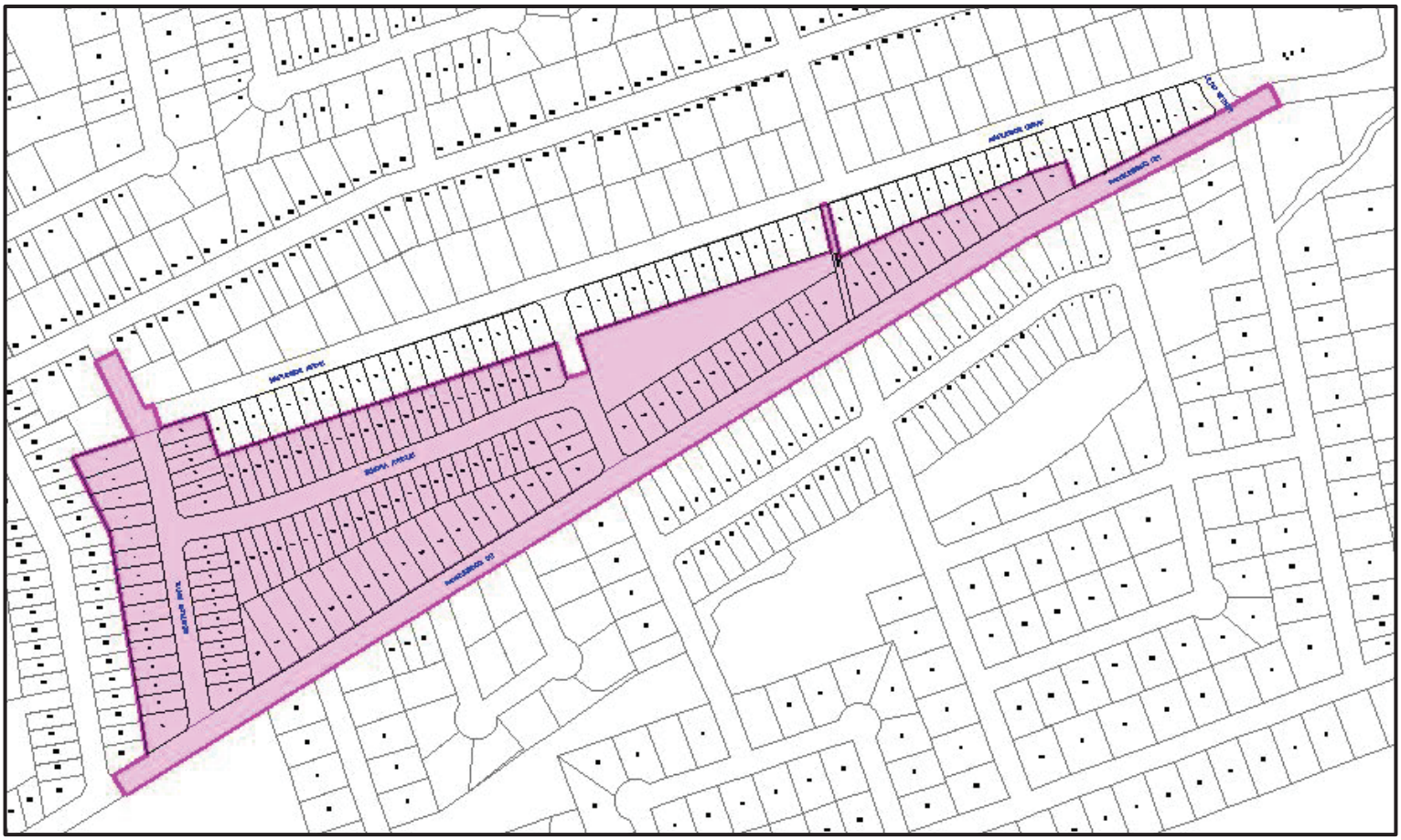
2022 Net

$48,257

Scope of Project

Lots	66
Line Poles	1
Other Poles	0
Transformers	7
Pri. Conductor	1,153 m
Sec. Conductor	2,700 m





Joanne Crescent Sub.

Description

This project is expected to start in 2022. The Town of Wasaga Beach is the developer of this checkerboard subdivision located south of Ramblewood Drive. It consists of 26 lots with provisions for future severances for total of 31 services for residential detached homes.

Project Driver

System Access

Project Estimate

$ 117,553

2022 Budget

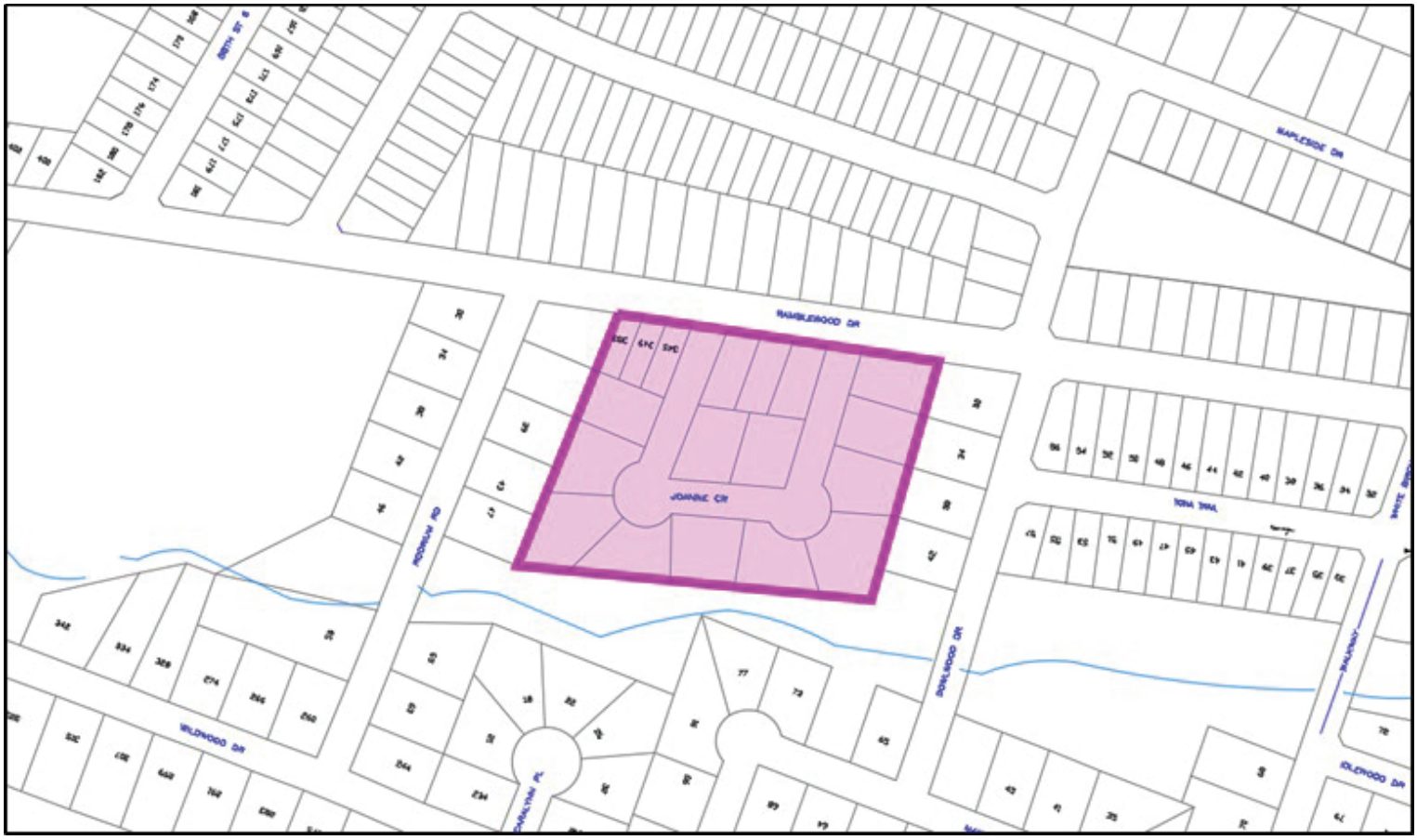
$ 117,553

2022 Net

$ 17,633

Scope of Project

Lots	31
Transformers	3
Pri. conductor	320 m
Sec. conductor	1,550 m



Sunnidale Trails Sub. Phase 1C

Description

This project has been in the planning stages for several years. It is located along Sunnidale Road and extends south to the town limits. It is the second portion of the first phase of a very large development which consists of more than 2300 lots, including provisions for schools, and commercial buildings. Phase 1C will be made up of residential detached homes, townhomes and commercial buildings.

Project Driver

System Access

Project Estimate

$104,326

2022 Budget

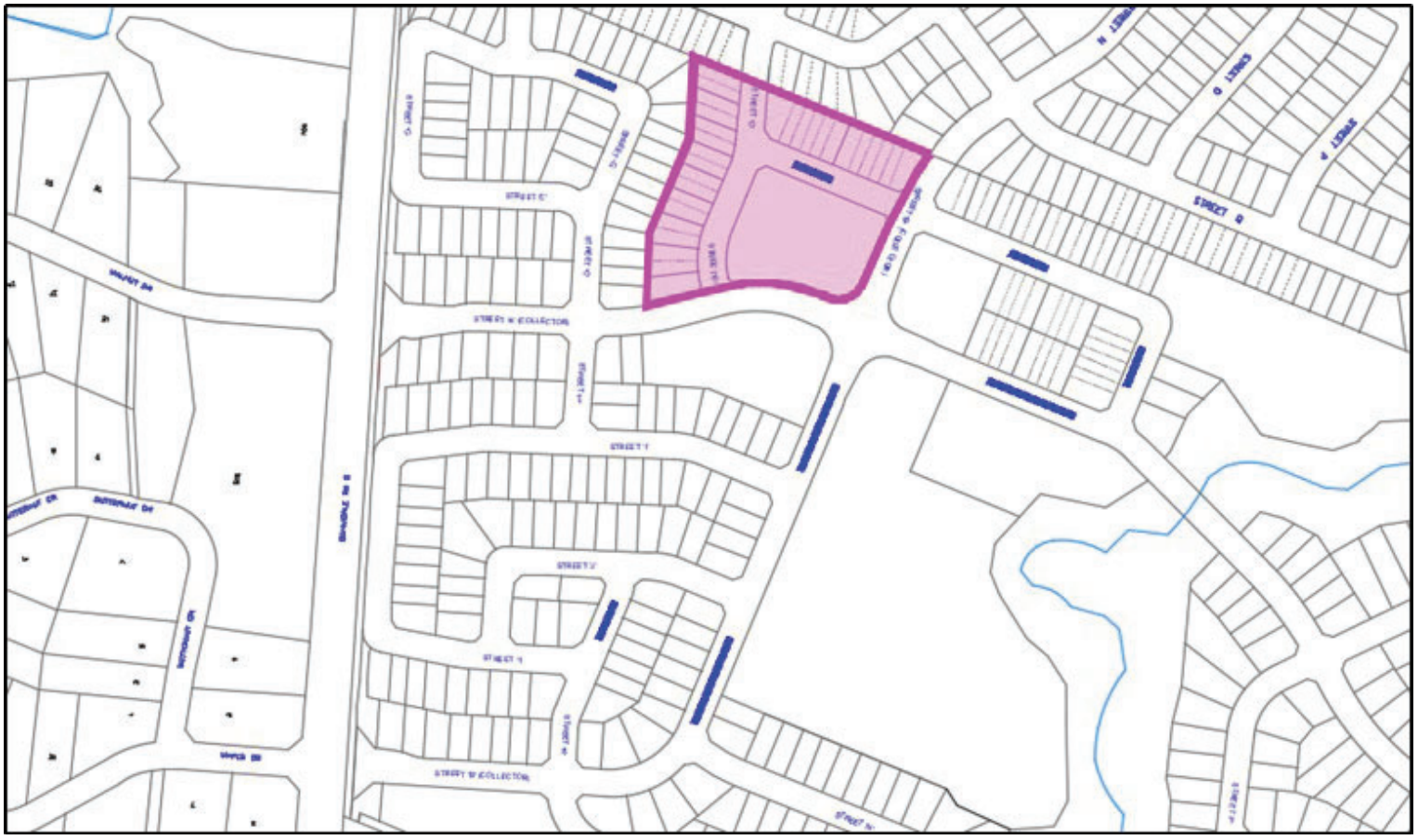
$104,326

2022 Net

$15,649

Scope of Project

Lots	28
Transformers	3
Pri. conductor	782 m
Sec. conductor	835 m



304 Main Street

Description

This project is being driven by a Developer proposing a variety store and gas station at the intersection of Main Street and River Road West. The proposed bus load/unload lane in is conflict existing with WDI poles on River Road West. An estimate has been provided to the Developer for relocation works, but the project timeline is unknown.

Project Driver

System Access

Projet Estimate

$86,928

2022 Budget

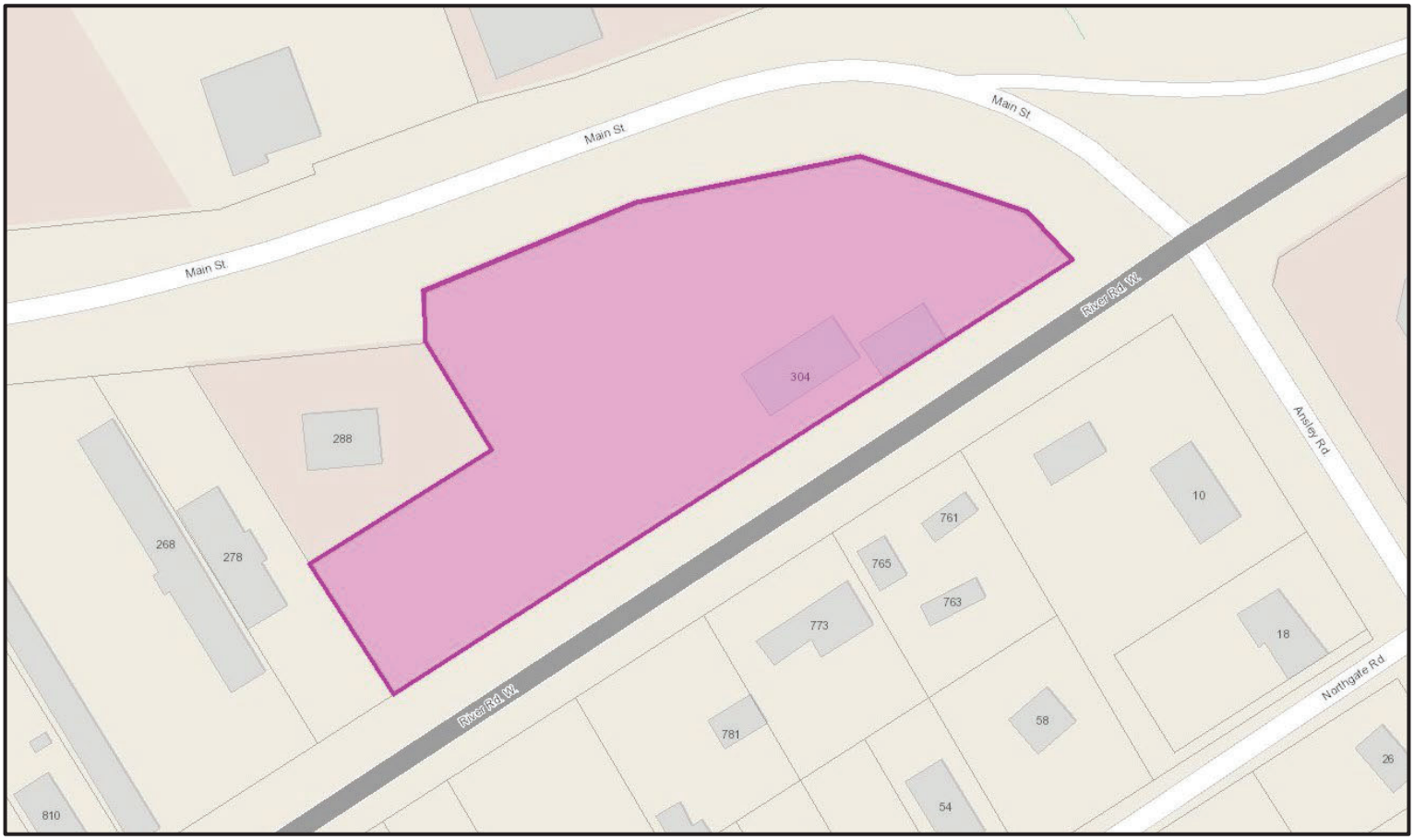
$86,928

2022 Net

$13,039

Scope of Project

Line Poles	4
Other Poles	0
Transformers	1
Pri. Conductor	492 m
Sec. Conductor	347 m



Burger King Restaurant

Description

This project is being driven by a Developer intending to construct a Burger King restaurant, a car wash and gas station at the corner of Theme Park Drive and River Road West. This project has 100% capital contribution from the developer.

Project Driver

System Access

Project Estimate

$63,235

2022 Budget

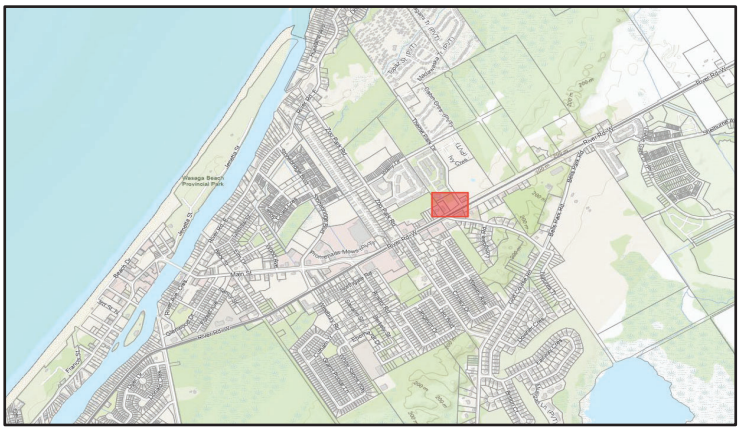
$63,235

2022 Net

$0

Scope of Project

Transformers	1
Pri. Conductor	50 m



River Road West - South Side Completion

Description

This project was initiated by the Town of Wasaga Beach. This project entails road widening whereby WDI poles were in conflict with the new road alignment. The pole line work have been completed in 2021, with remaining underground tie-in work being completed in 2022.

Project Driver

System Access

Project Estimate

$1,135,519

2022 Budget

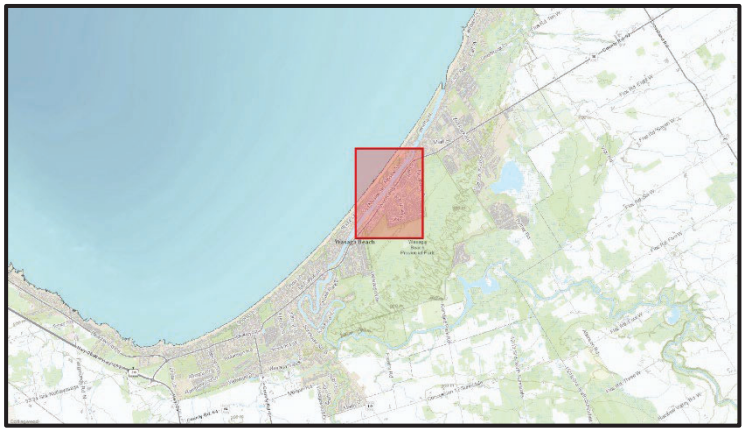
$59,196

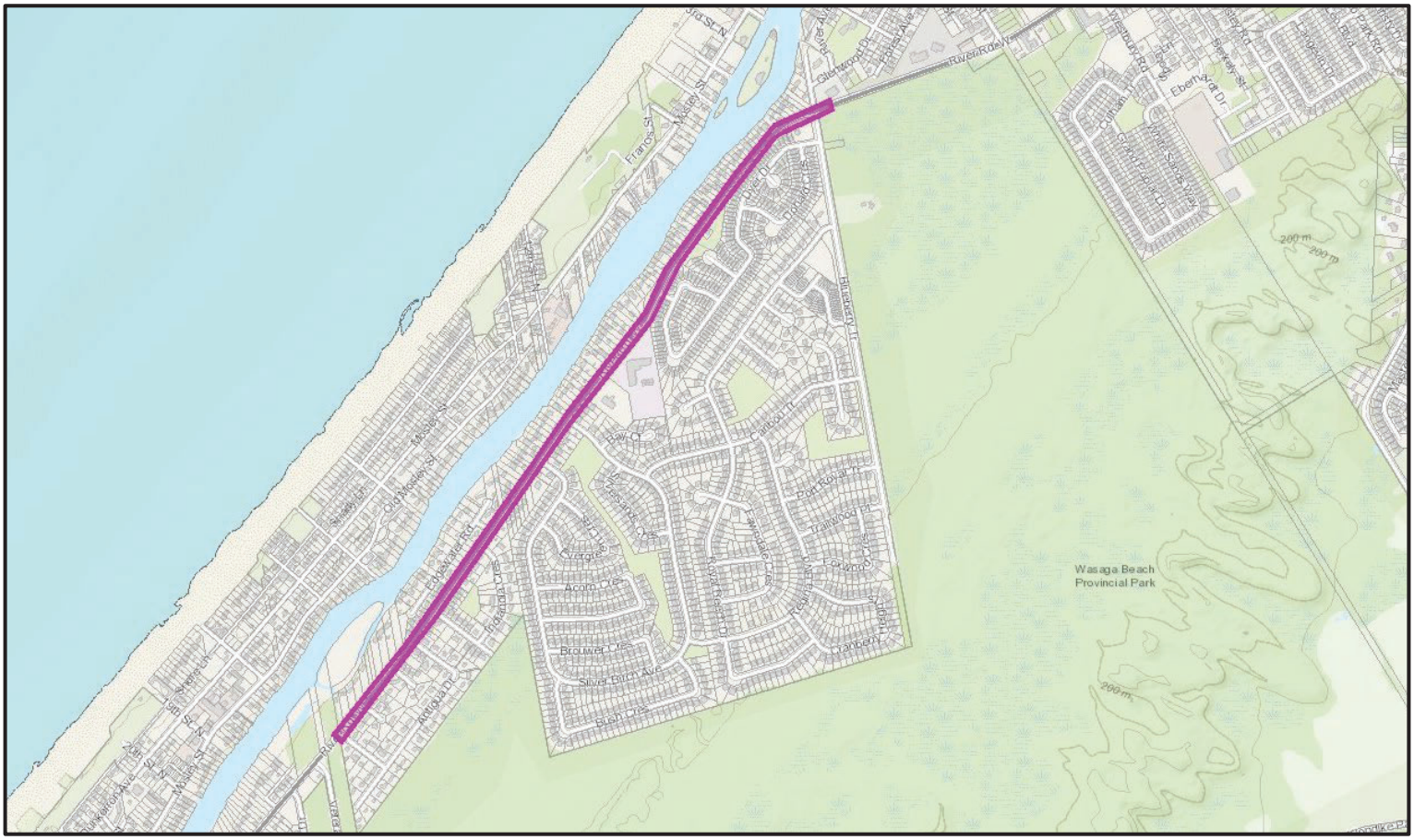
2022 Net

$29,598

Scope of Project

Line Poles	68
Transformers	18
Pri. Conductor	5,441 m
Sec. Conductor	2,594 m





Wendy’s Restaurant

Description

This project is being driven by a Developer intending to construct a Wendy’s restaurant at the corner of Mosley Street and 28th Street North. This project has 100% capital contribution from the developer.

Project Driver

System Access

Project Estimate

$51,116

2022 Budget

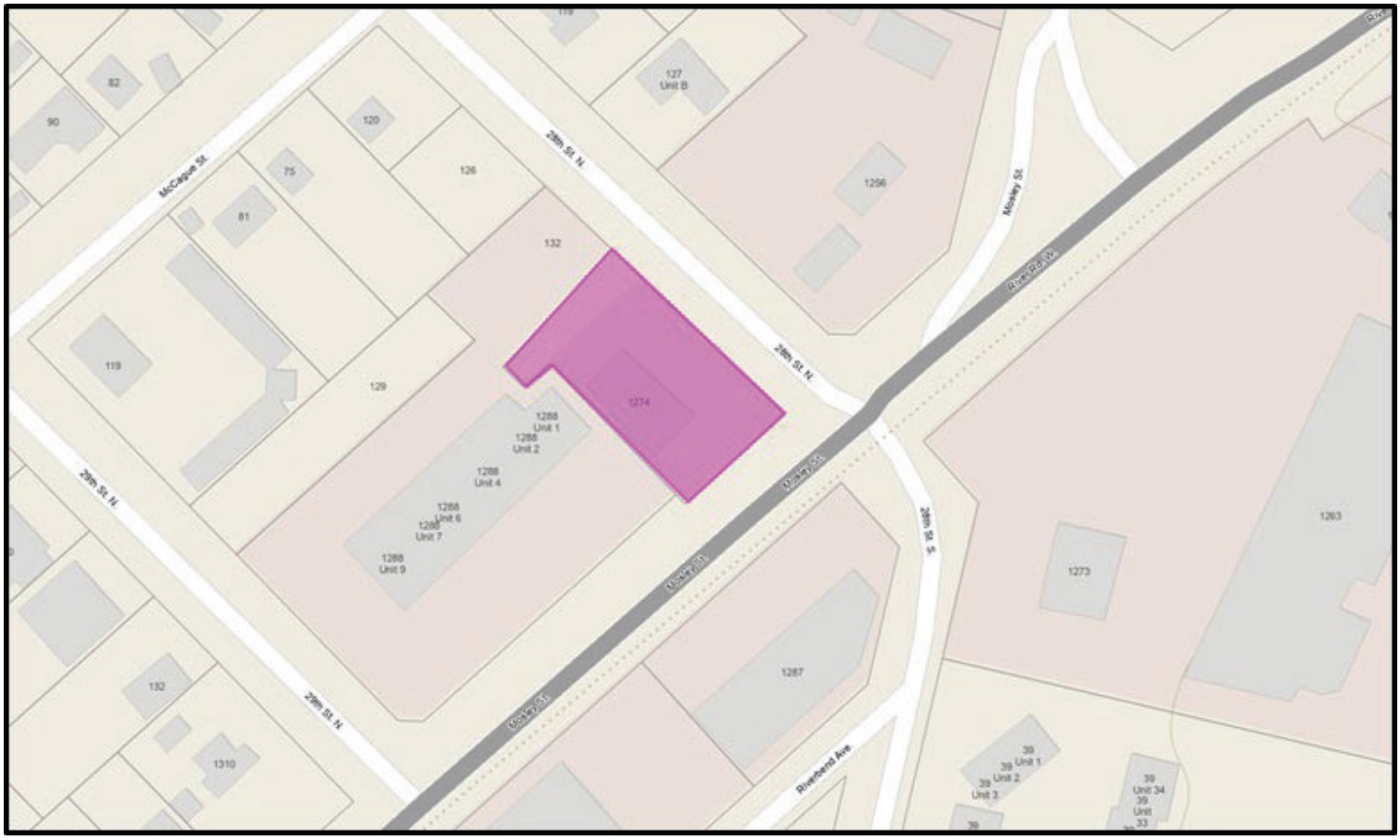
$51,116

2022 Net

$0

Scope of Project

Transformers	1
Pri. Conductor	50 m



3219 Mosley Street

Description

This project is a 10 single dwelling subdivision located at the intersection of Mosley Street and 62nd Street South. This project is expected to begin in 2022.

Project Driver

System Access

Project Estimate

$41,200

2022 Budget

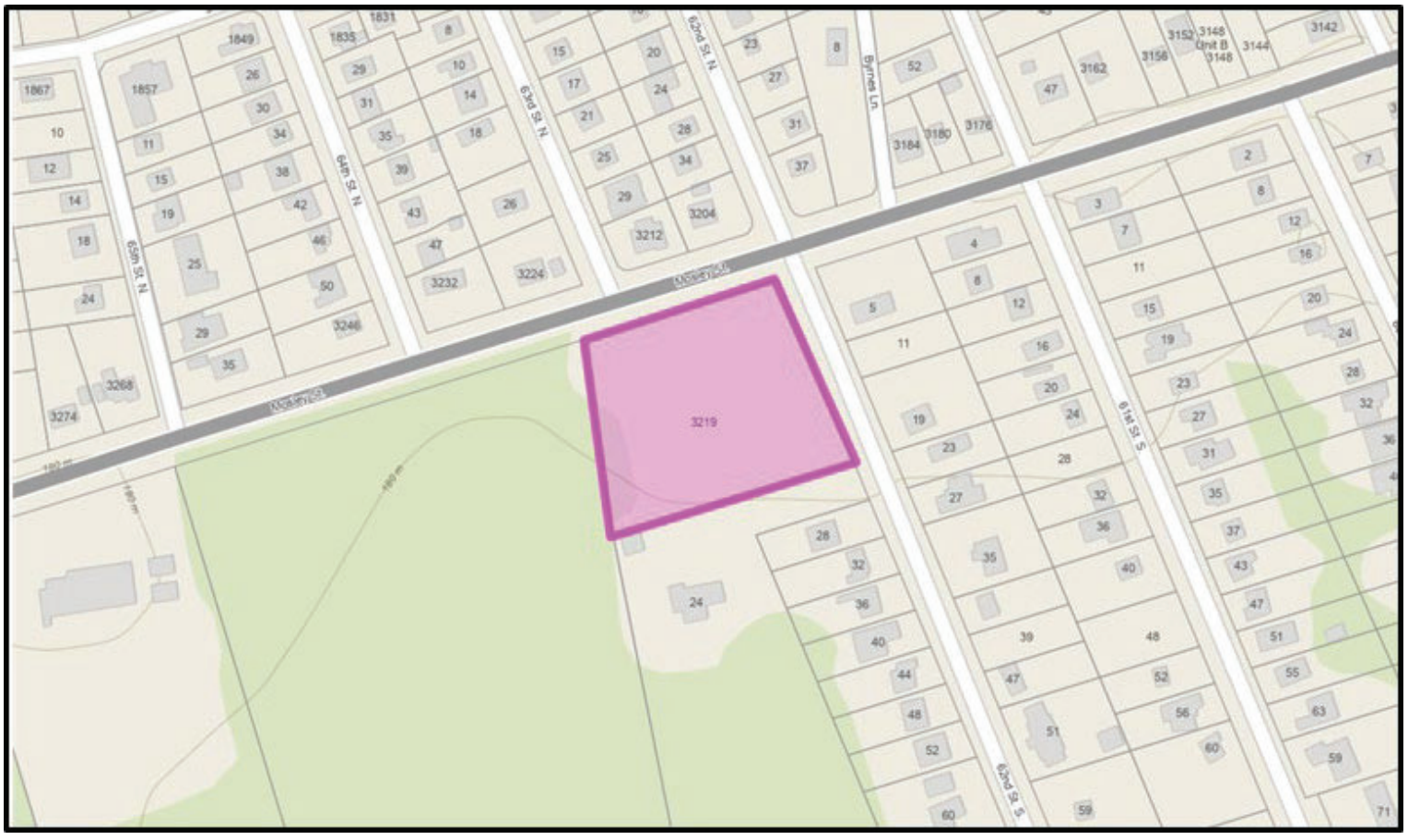
$41,200

2022 Net

$6,180

Scope of Project

Lots	10
Transformers	1
Pri. Conductor	80 m
Sec. Conductor	530 m



Casino

Description

This project is being driven by a Developer proposing a casino at the corner of Mosley Street and Lyons Court. Preliminary loading information requires a 44kV connection. This project has 100% capital contribution from the developer and the timeline is unknown.

Project Driver

System Access

Project Estimate

$3,000

Scope of Project

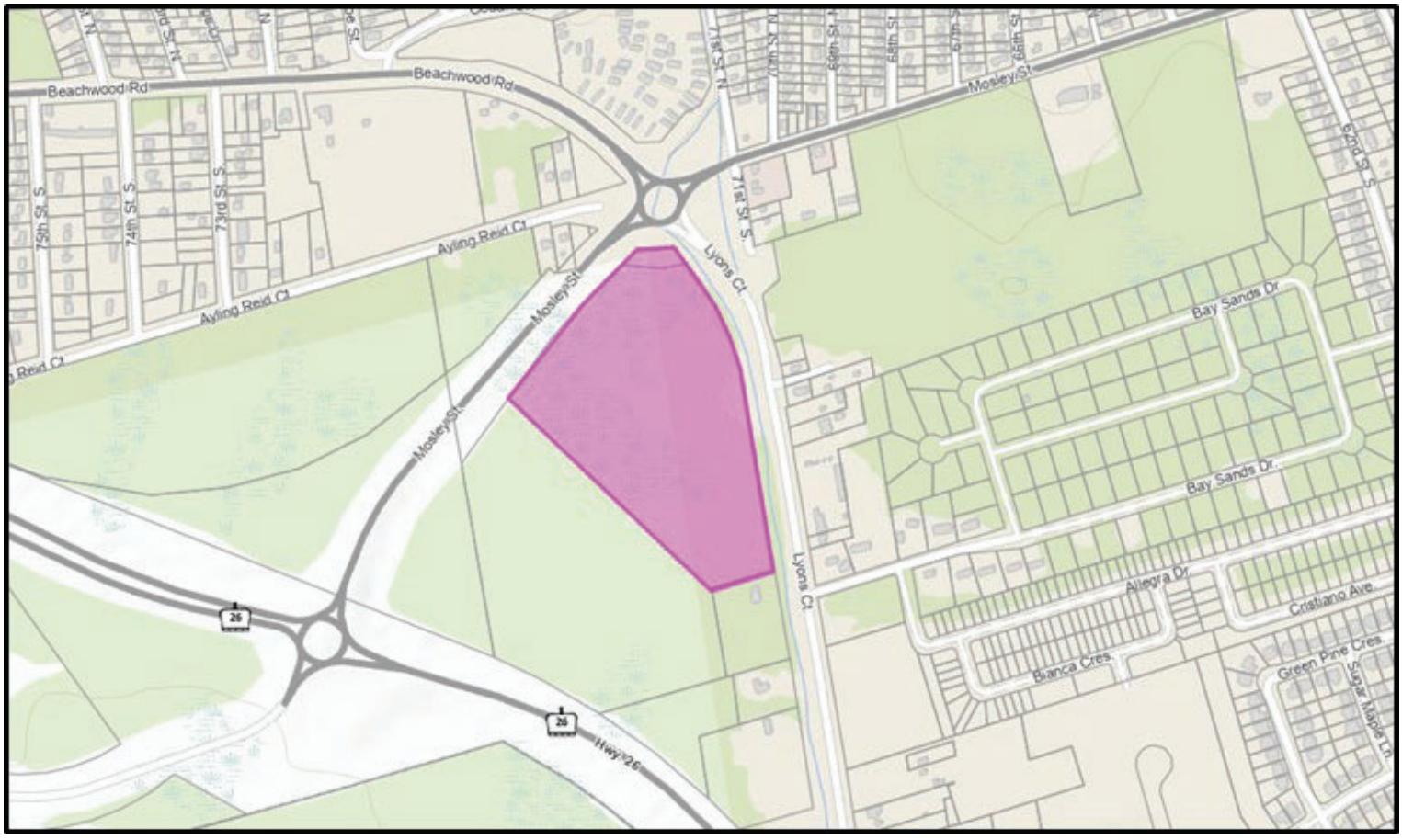
44 kV Conn. 1

2022 Budget

$3,000

2022 Net

$0



Twin Pad Arena

Description

This project is being driven by the Town of Wasaga Beach. The twin pad arena located at the intersection of Theme Park Drive and River Road west will be connected to the existing 44 kV lines running along the River Road West.

Project Driver

System Access

Projet Estimate

$3,000

Scope of Project

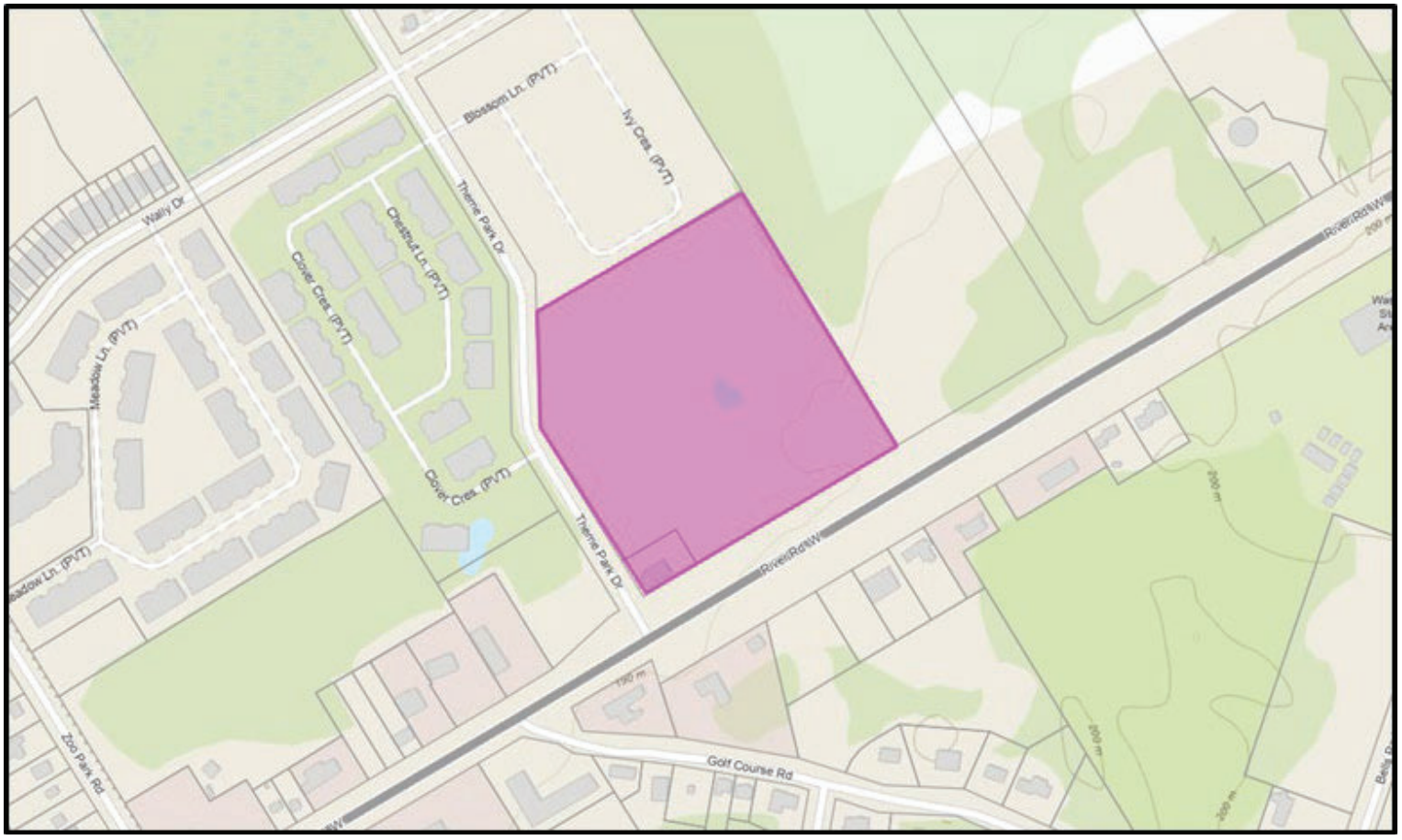
44 kV Conn. 1

2022 Budget

$3,000

2022 Net

$0



System Access: Other Programs and Projects

Metering

Description

Included in this program is the cost of labour and material for metering staff to populate the forecast of 650 new services .

New/Upgraded Services

Description

Included in these projects is the cost of labour and material for new and upgraded services, which include both residential and commercial lots in 2022.

Section 2 – System Renewal

System Renewal Investments:

Definition

System renewal investments involve replacing and/or refurbishing system assets to extend the original service life of the assets and thereby maintain the ability of the distributor's distribution system to provide customers with electricity services.

Overview of System Renewal Projects

This budget proposes to update the aged distribution plant as identified in the Distribution System Plan. These projects were chosen with the objective of replacing the oldest assets in WDI's system. The main goal will be to replace approximately 100 poles, however this will also involve the upgrading of transformers and conductors at the same time. Identified individual projects are shown on the following slides.

Summary of System Renewal Projects – 2022

Projects with map visual:

Project Name	Total Cost	Description Slide
29th St. N.	$ 227,692	23
Knox Rd. West from 45th St. S. to Frederick Dr	$ 216,389	24
34th St. N.	$ 119,964	25
MS#3 Feeder Conductor (F1 and F2)	$ 81,161	26
356 Shorelane - Relocation of Secondary Service	$ 15,000	27

Other Projects and Program:

Project Name	Total Cost
Miscellaneous Poles (30)	$ 186,406
Miscellaneous Transformers (25)	$ 136,241
Metering (replacements) - PME	$ 129,527

29th St N.

Description

This project has been identified as an area with many end of life assets (small conductor and 1940s poles). The project is located on a branch street connected to Mosley Street. The project will consist of upgrading the poles and conductors as well as replacing aged transformers. This work will increase efficiencies and lower losses.

Project Driver

System Renewal

Project Estimate

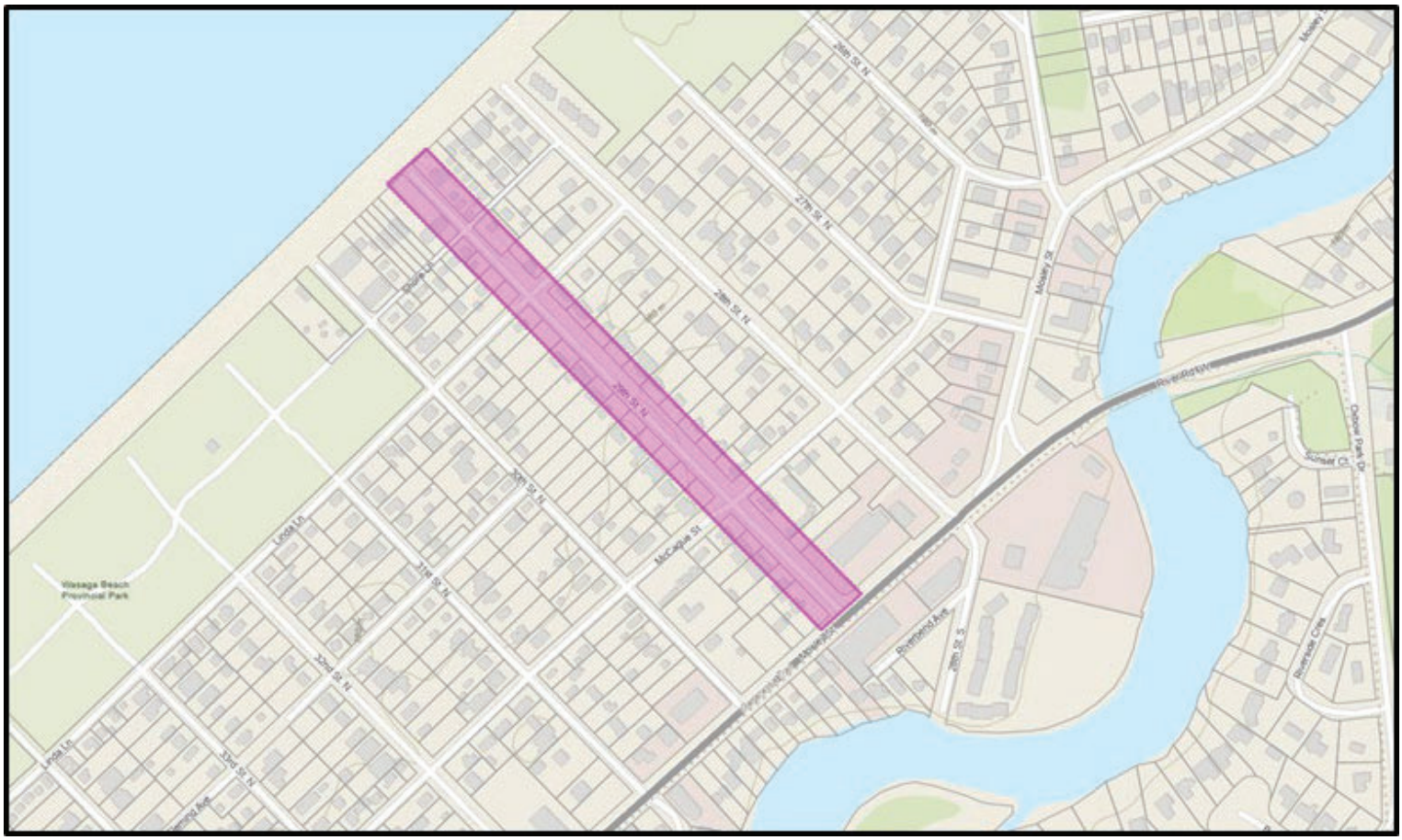
$227,692

2022 Budget

$227,692

Scope of Project

Line Poles	10
Other Poles	12
Transformers	4
Pri. Conductor	430 m
Sec. Conductor	430 m



Knox Rd. West from 45th St. S. to Frederick Dr

Description

The need for this project has been identified as both efficiency and reliability. The scope of the work is to re-route the 44 kV feed to our MS#3 substation on Knox Road West for better accessibility and reliability at a critical junction of our distribution system. Also proposed is the extension of a second 8 kV circuit from MS#3 to Frederick Drive. In doing so, not only will we benefit from replacing aged assets but we will also gain redundancy and load distribution capabilities. The project is located along Know Road West from Frederick Drive to 45th Street South.

Project Driver

System Renewal

Project Estimate

$350,494

2022 Budget

$216,389

Scope of Project

Line Poles	13
Other Poles	2
Transformers	2
Pri. Conductor	4,098 m
Sec. Conductor	500 m

34th St. N.

Description

This project has been identified as an area with many end of life assets (small conductor and 1950s poles). The project is located on a branch street connected to Mosley Street. The project will consist of upgrading the poles and conductors as well as replacing aged transformers. This work will increase efficiencies and lower losses.

Project Driver

System Renewal

Project Estimate

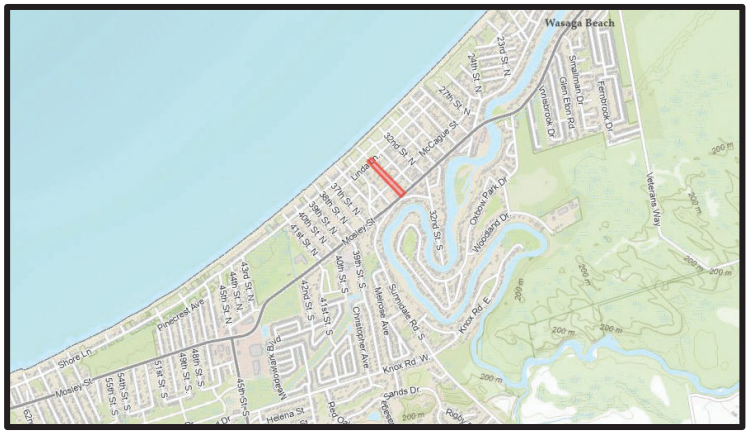
$119,964

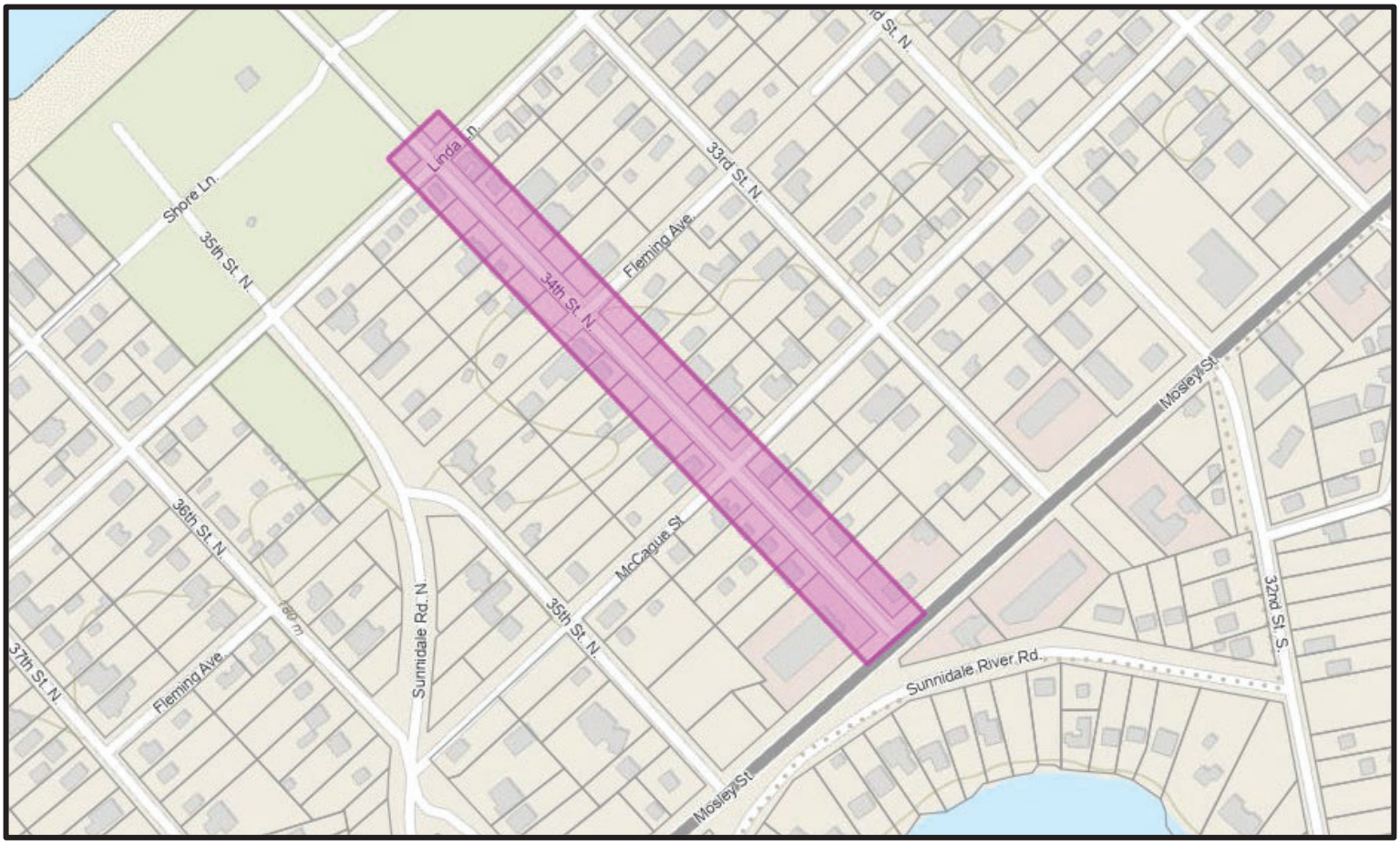
2022 Budget

$119,964

Scope of Project

Line Poles	8
Other Poles	7
Transformers	2
Pri. Conductor	225 m
Sec. Conductor	316 m





MS#3 Feeder Conductor (F1 and F2)

Description

This project consists of replacing the existing conductors from the station breakers to the feeder pole at the road. Costs include installing a concrete encased duck bank and upgrading the aging conductors to increase capacity.

Project Driver

System Renewal

Scope of Project

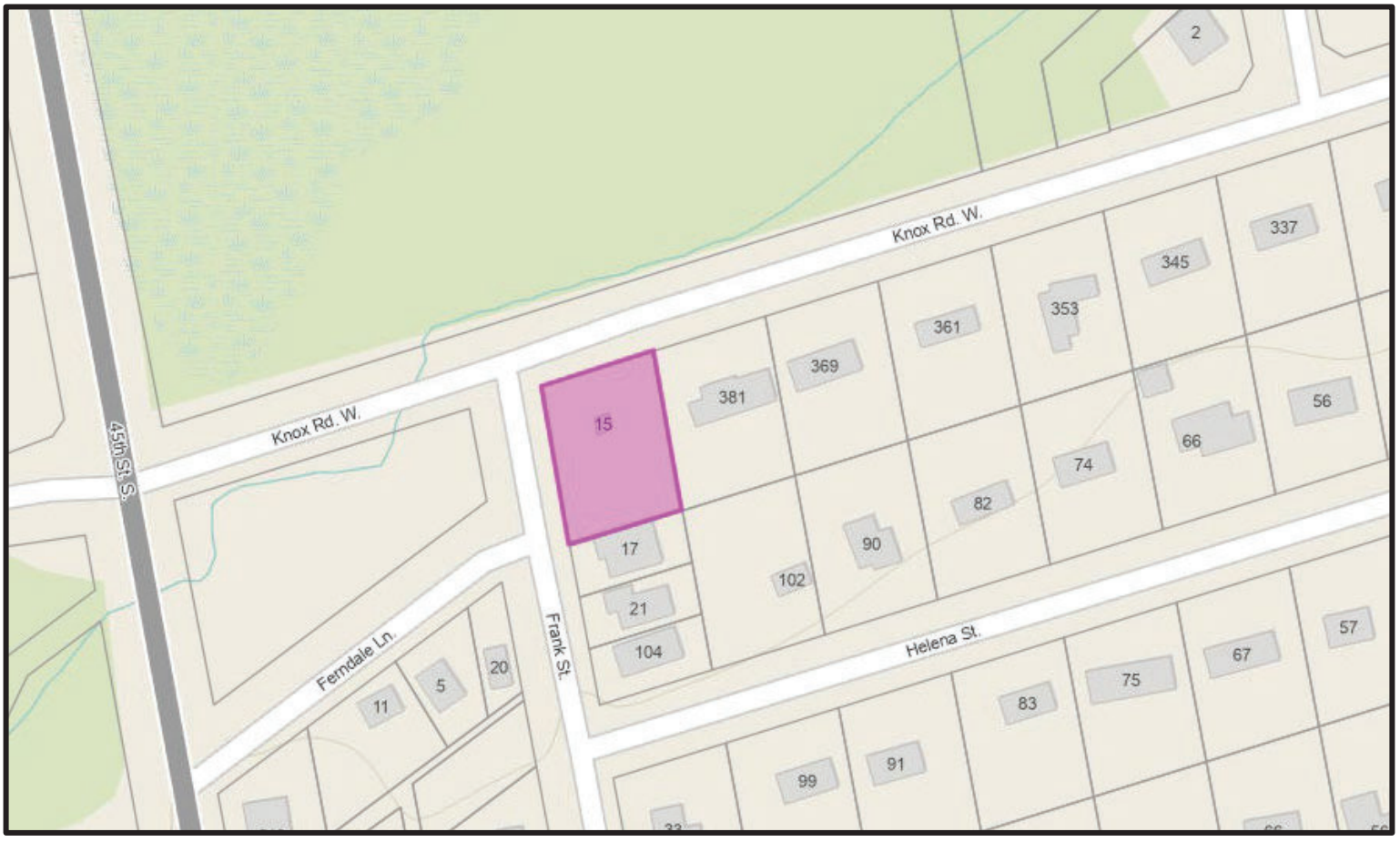
Pri. Conductor 320 m

Project Estimate

$81,161

2022 Budget

$81,161



356 Shore lane - Relocation of Secondary Service

Description

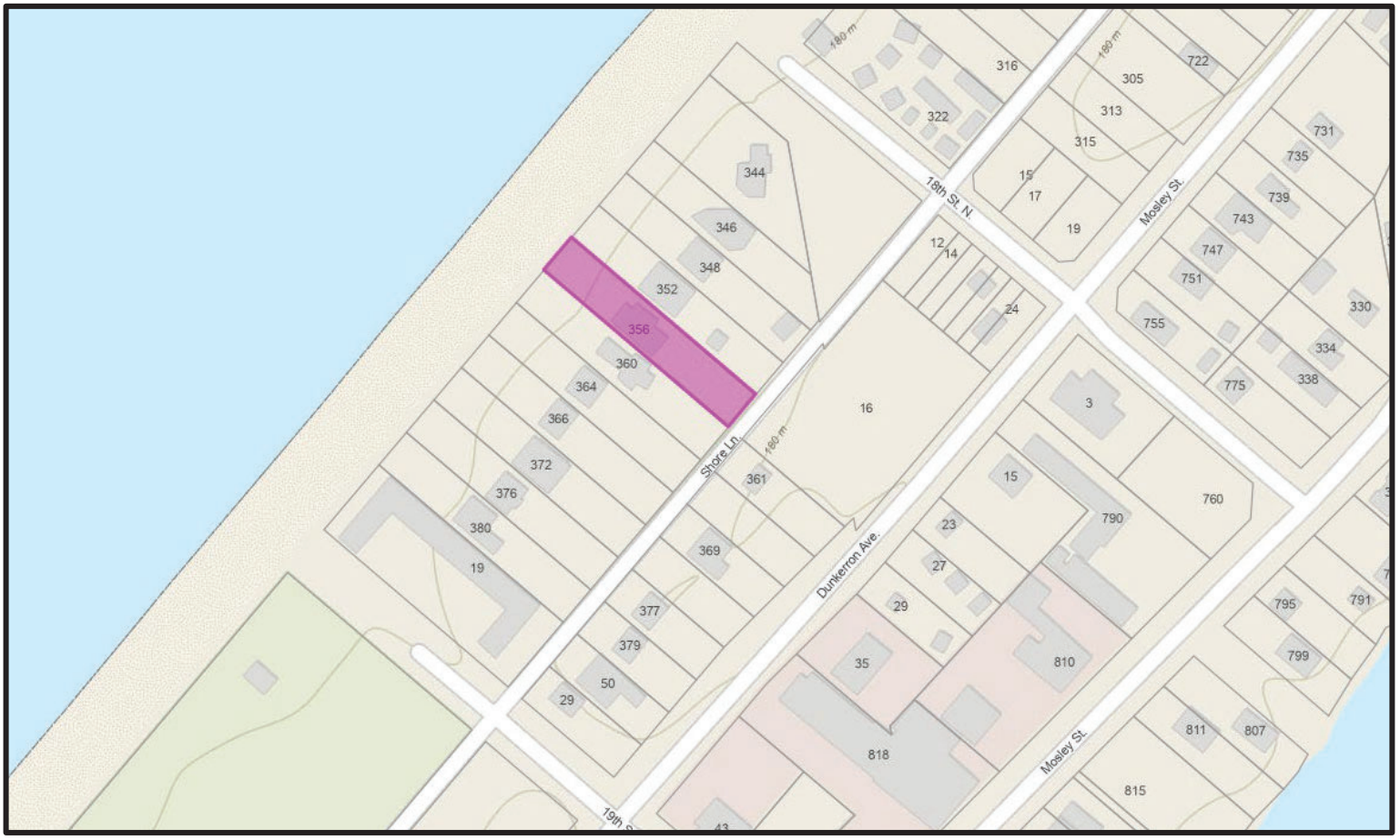
This existing underground customer is fed from a pole on the beachfront. Rerouting this service from Shore Lane will enable us to remove the last of the overhead conductors along the beachfront.

Project Driver
System Renewal

Scope of Project
TBD

Project Estimate
$15,000

2022 Budget
$15,000



System Renewal: Other Programs and Projects

Pole Replacement

Description

This program covers individual poles that have been identified as need to be replaced, or poles damaged through motor vehicle accidents and weather events. These are poles that have not been identified in pole line replacement projects.

Transformer Replacement

Description

This program covers individual transformers that have been identified as needed to be replaced and are not part of pole line replacement projects.

Metering

Description

As a result of a PME failure on the Stayner M4 44 kV feed from Hydro One, a new PME unit will arrive in 2022 to replace the backup unit that was used as a result of the failure. Through WDI's collaboration in the CHEC Group, a backup PME was made available to WDI which avoided significant complexities related to IESO billing associated with an unmetered feed. The cost for the unit is estimated at $100,000.

Also included in this section is the scheduled workload of Measurement Canada compliance testing. Meters purchased in 2011 are at the end of their seal life and Measurement Canada SS-06 regulations stipulates the removal and testing of a sample of 50 meters from the group population.

A total of 287 meters, 75 single phase or residential and 200 three phase meters are due for reverification and must be removed and resealed in 2022.

Project Name	Total Cost
Sampling – 50 Meters	$ 1,777
Reverification/Misc. Meter Purchases Single Phase - 75 Polyphase - 200	$ 27,750

Section 3 – System Service

System Service Investments:

Definition

System service investments are modifications to a distributor's distribution system to ensure the distribution system continues to meet distributor operational objectives while addressing anticipated future customer electricity service requirements.

Overview of System Service Projects

This budget proposes the addition of a new substation to service future load requirements of the anticipated Sunnidale Trails Sub. and River's Edge Sub. developments along Sunnidale Road. Other projects include a poleline and station battery replacements. Individual projects are shown on the following slides.

Summary of System Service Projects – 2022

Projects with map visual:

Project Name	Total Cost	Description Slide
MS#6 Substation - Sunnidale Road	$ 1,200,000	32
Morgan Road (new MS#6 backup) - Overhead	$ 225,328	33

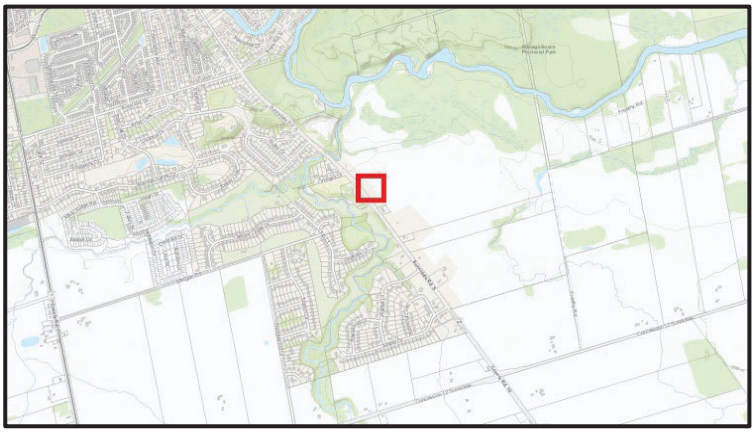
Other Projects and Program:

Project Name	Total Cost
Station Relay Battery Replacements	$ 5,000

MS#6 - Sunnidale Road Substation

Description

Wasaga Distribution Inc has identified the need for additional capacity requirements when load to the Sunnidale Trails Sub. and River's Edge Sub. developments comes to fruition. From the planning stage to the commissioning stage of a substation could be between 12-18 months. The project was budgeted over two of years with design and engineering taking place in 2021. The project is budgeted with construction, major equipment delivery and construction management scheduled to take place in 2022. The intent is to have completion and commissioning during Q1 and Q2 2022. WDI is proposing a 10 MVA transformer with 4 feeders. This station also provides the ability to backup and transfer load between existing stations, which will be critical when completing the replacement of the transformer at the existing station on Knox Road West (MS#3). MS#6 will ensure WDI has the assets in place to service these future customers. Lands for this station have been designated to WDI from the Developer.



Project Driver

System Service

Project Estimate

$3,788,000

Scope of Project

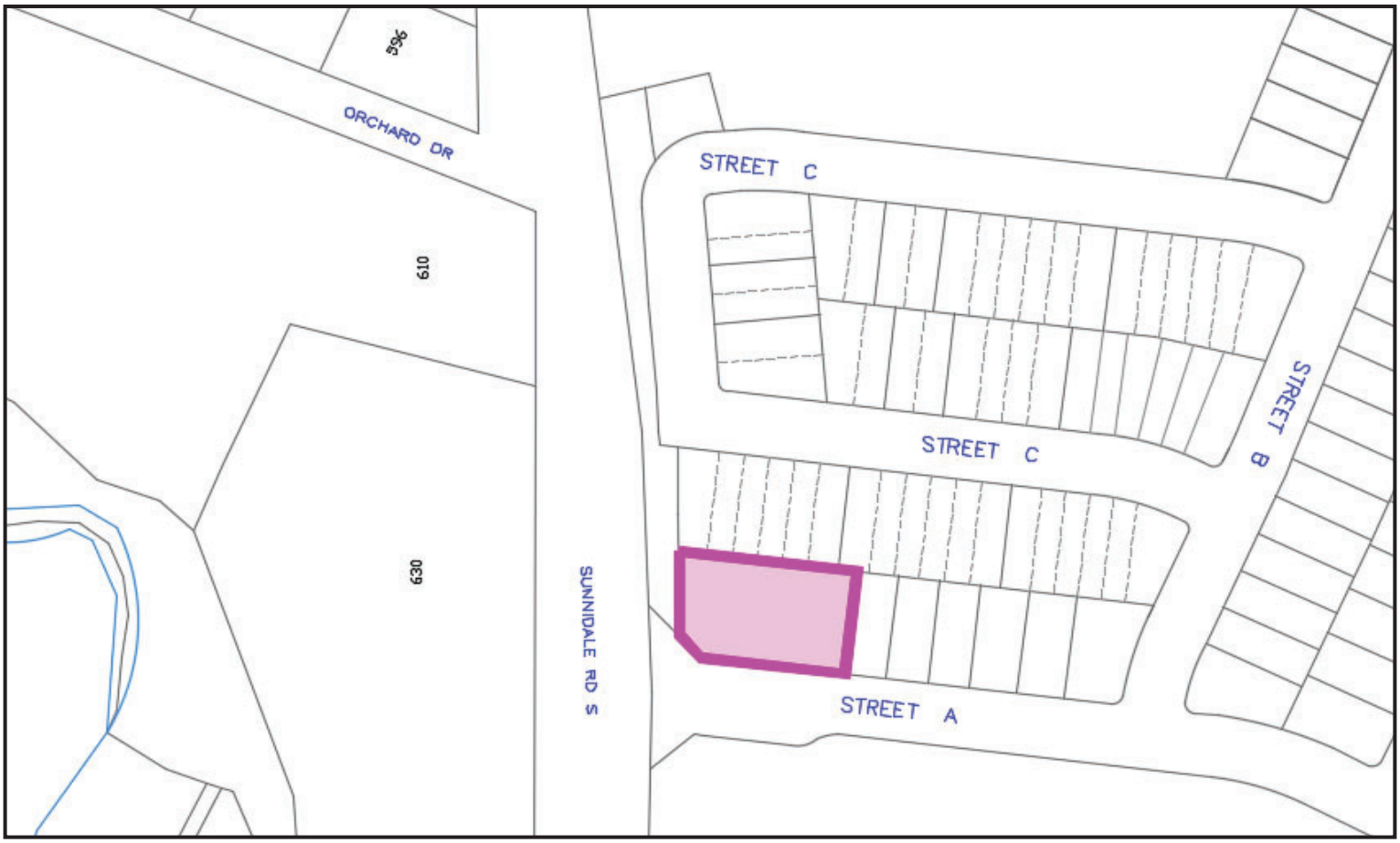
Construction
Major equipment
Project Management

2022 Budget

$1,200,000

Developer Portion

$1,465,000



Morgan Road (new stn backup) - Overhead

Description

This project consists of a 3 phase 8 kV poleline along Morgan Road between Middleton Boulevard and Club Court. This will act as a tie between MS#3 F4, through the express feeder installed in the Upper Villages of Wasaga development, and the future MS#6 F1. This will enhance redundancy and load distribution capabilities.

Project Driver

System Services

Project Estimate

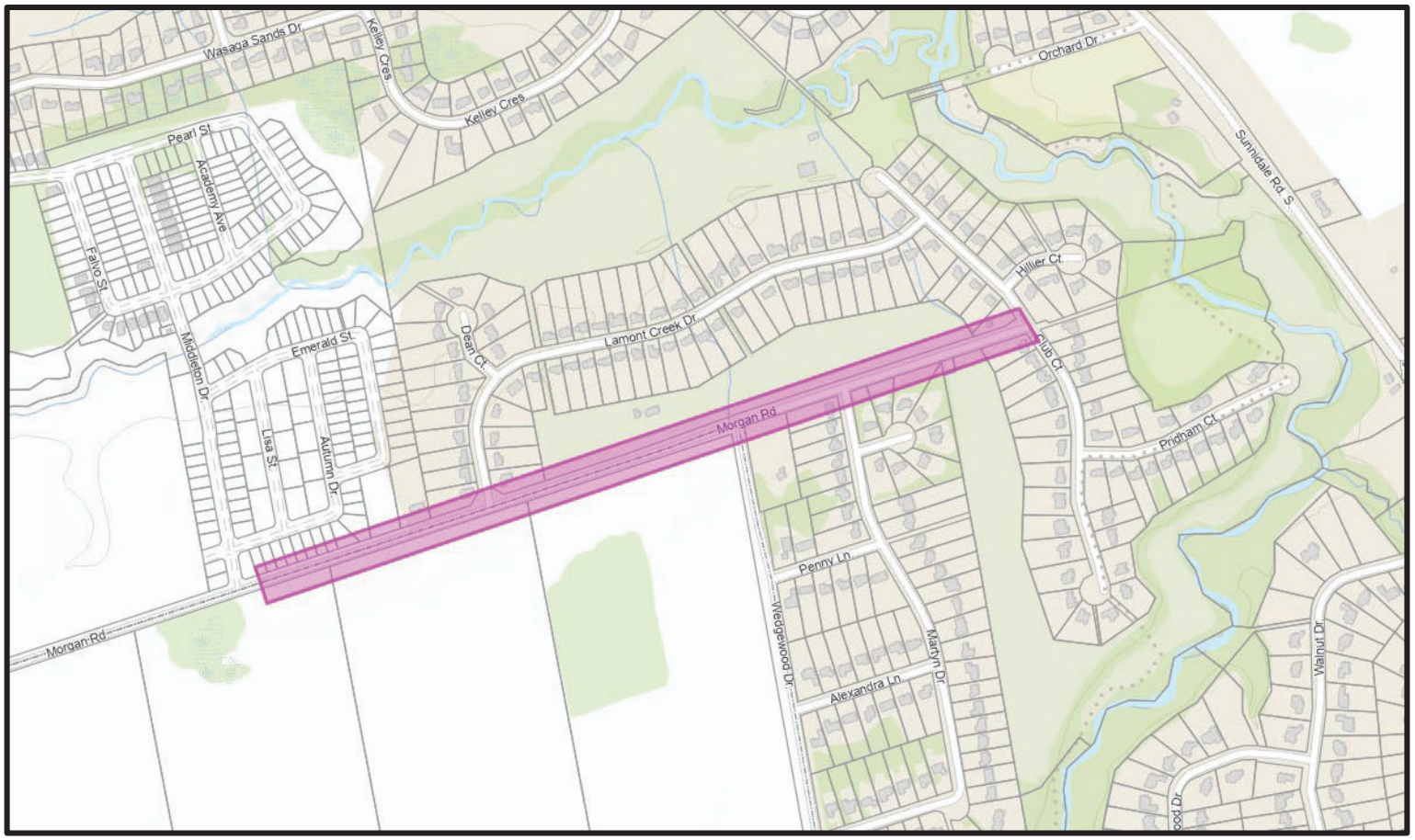
$225,207

2022 Budget

$ 225,207

Scope of Project

Line Poles	23
Pri. Conductor	3,300 m
Sec. Conductor	1,100 m



System Service: Other Programs and Projects

Station Relay Battery Replacements

Description

This project will replace aging batteries that provide backup power to feeder controllers should there be a power interruption.

Section 4 – General Plant

System Service Investments:

Definition

System plant investments are modifications, replacements or additions to a distributor's assets that are not part of its distribution system including land and buildings, tools and equipment, rolling stock and electronic devices and software used to support day to day business and operations activities.

Overview of System Service Projects

This budget proposes the addition of a new stringing trailer.
It also has provisions for modifications to the shop such as;

- repairs to the concrete floor
- a back-up generator
- a concrete loading pad
- a storage bin has also been provisioned for the purpose of storing meter components, hot water tanks, etc.

In addition to items listed above, System Service Projects also includes a customer portal integration for Green Button compliance.

Summary of General Plant Projects – 2022

Other Projects and Program:

Project Name	Total Cost
Office/Shop Modifications (Generator/Loading Pad/Sea Can/Floor Grates)	$ 50,000
Customer Portal Integration - Green Button Compliant	$ 45,000

Attachment 4

2023 Capital Budget
Report

Wasaga Distribution Inc.

2023 Capital Budget Report

To: Board of Directors

Date Submitted: November 24, 2022

Prepared By: **Nanette Dupuis C.E.T.**
Manager, Engineering

Reviewed By: **Finance and Audit Committee**

Asset Assessment

Wasaga Distribution Inc. has developed an asset management program to help ensure the judicious management of our assets in the interests of our customers. The 2023 Capital Budget Plan has been developed using the 2022 Asset Condition Assessment and the 2016 – 2020 Distribution System Plan as guides. An updated 2024 - 2028 Distribution System plan is currently under development to be submitted with our OEB Electricity Distribution Rate (EDR) application in 2023. The Distribution System Plan (DSP) will outline our approach to managing our infrastructure, providing a window into how we're assessing, maintaining, and upgrading our assets. Additionally, the DSP communicates the link between our core values and the way we manage our system.

Capital Project Prioritization

First, the project selection criterion was established to determine the extent of the potential projects. Next, the number of affected assets was compiled for each project to facilitate project prioritizing. Finally, budget numbers were calculated using cost estimation tools developed in-house.

Capital Project Categories

The proposed capital projects can be placed into one of four categories based on the primary motivation for completing the project. The categories and a summary of budgetary figures are listed in the table below.

Category	Gross	Expected Capital Contribution	WDI Net
System Access	$4,942,627	$3,978,894	$963,733
System Renewal	$1,689,991	$25,000	$1,664,991
System Service	$547,631	$0	$547,631
General Plant	$50,000	$0	$50,000

Section 1 – System Access

System Access Investments:

Definition

System access investments are modifications (including asset relocation) to a distributor's distribution system a distributor is obligated to perform to provide a customer or group of customers with access to electricity services via the distribution system.

Overview of System Access Projects

This budget provides for the expansion of new residential and commercial developments. Most System Access projects are included based on figures forecasted and communicated by Developers. A degree of risk exists with the level of fruition of these projects. This category also includes municipality-initiated projects such as road urbanization and drainage improvements where existing distribution assets are affected by the proposed construction activities. Lastly, System Access includes the cost of labour and materials, including meters, for all new and upgraded service connections projected for 2023.

Summary of System Access Projects – 2023

Projects with map visual:

Project Name	Project Costs	WDI Contribution	Description Slide
River's Edge - Phase 1 Stage 1	$2,531,968	$379,796	7
River's Edge - Phase 1 Stage 2A	$1,331,723	$199,759	8
Sunnidale Trails - Phase 1B	$219,348	$32,902	9
Joan Avenue Pole Line	$160,905	$0	10
360 Coastline Drive	$139,373	$20,906	11

Other Projects and Program:

Project Name	Project Costs	WDI Contribution
Streling Homes - Phase 2	$32,414	$4,862
Beach Area 1 - Phase 1	$26,388	$0
New Service/Upgraded Service	$422,008	$247,008
Metering for New Service/Upgraded Service	$78,500	$78,500

River's Edge Sub. - Phase 1 Stage 1

Description

This project has been in the planning stages for several years. It is located along Sunnidale Road South with the Nottawasaga River as its northern border. It is the first phase of a very large development which consists of more than 2,300 lots, including provisions for schools, and commercial buildings. The entire development will have mix load however phase 1 stage 1 consists of 330 detached and townhouse residential lots. Express feeders from the new municipal station MS#6 will achieve redundancy and load distribution capabilities. With the project completion at 80% in 2022, the 2023 works include the installation and energization of the last 20 transformers.

Project Driver

System Access

Project Estimate

$2,351,968

Dev. Contribution

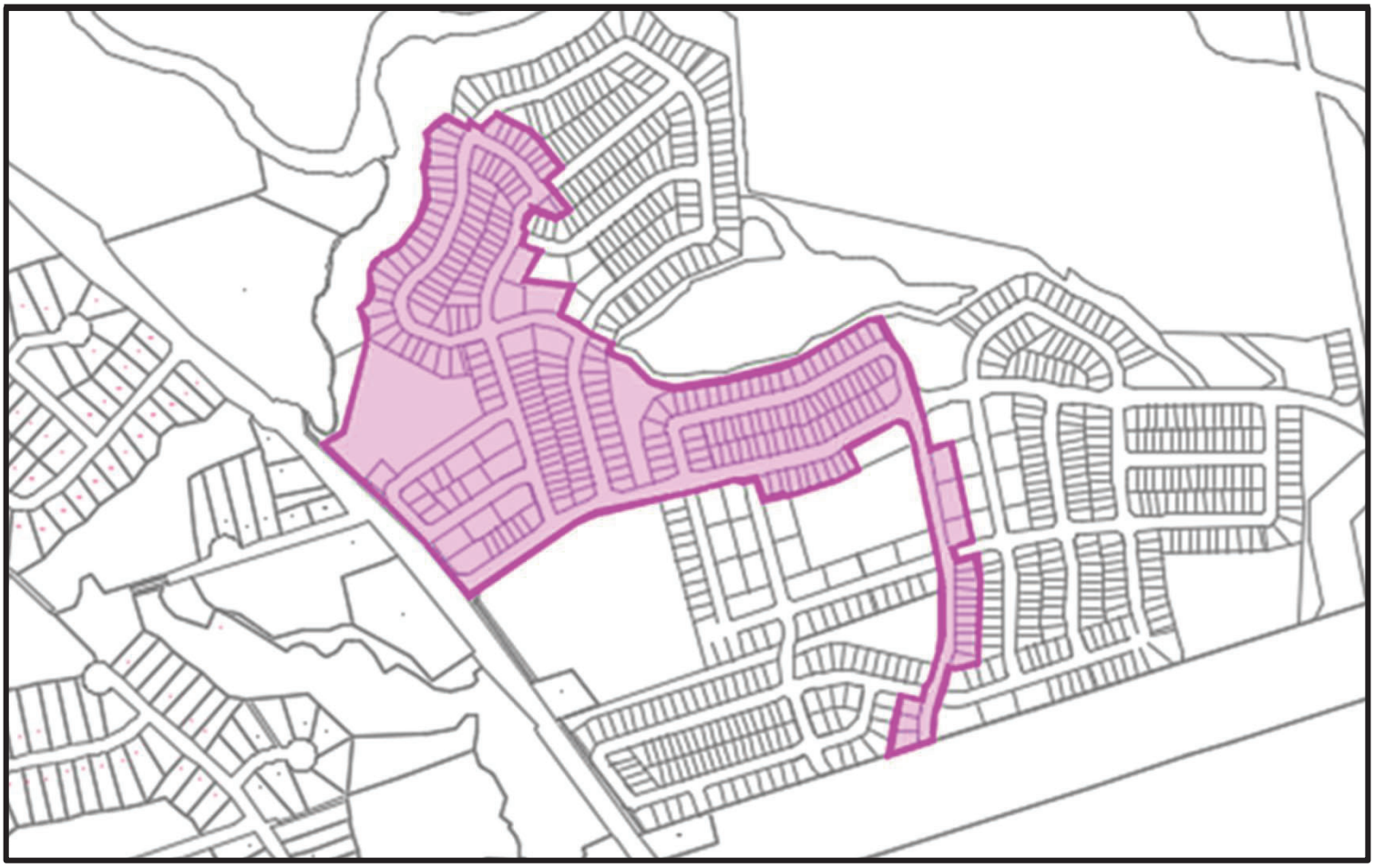
$2,152,172

WDI Net

$379,796

Scope of Project

Lots	330
Transformers	38
Pri. conductor	11,479 m
Sec. conductor	10,600 m
PHM units	5



River's Edge Sub. - Phase 1 Stage 2A

Description

This project is the second installment of the River's Edge development located along Sunnidale Road South with the Nottawasaga River as its northern border. Phase 1 stage 2A consists of 162 detached and townhouse residential lots. Express feeders from the new municipal station MS#6 will achieve redundancy and load distribution capabilities. The 2023 budget includes the installation and energization of the entire phase 1 stage 2A project.

Project Driver

System Access

Project Estimate

$1,331,723

Dev. Contribution

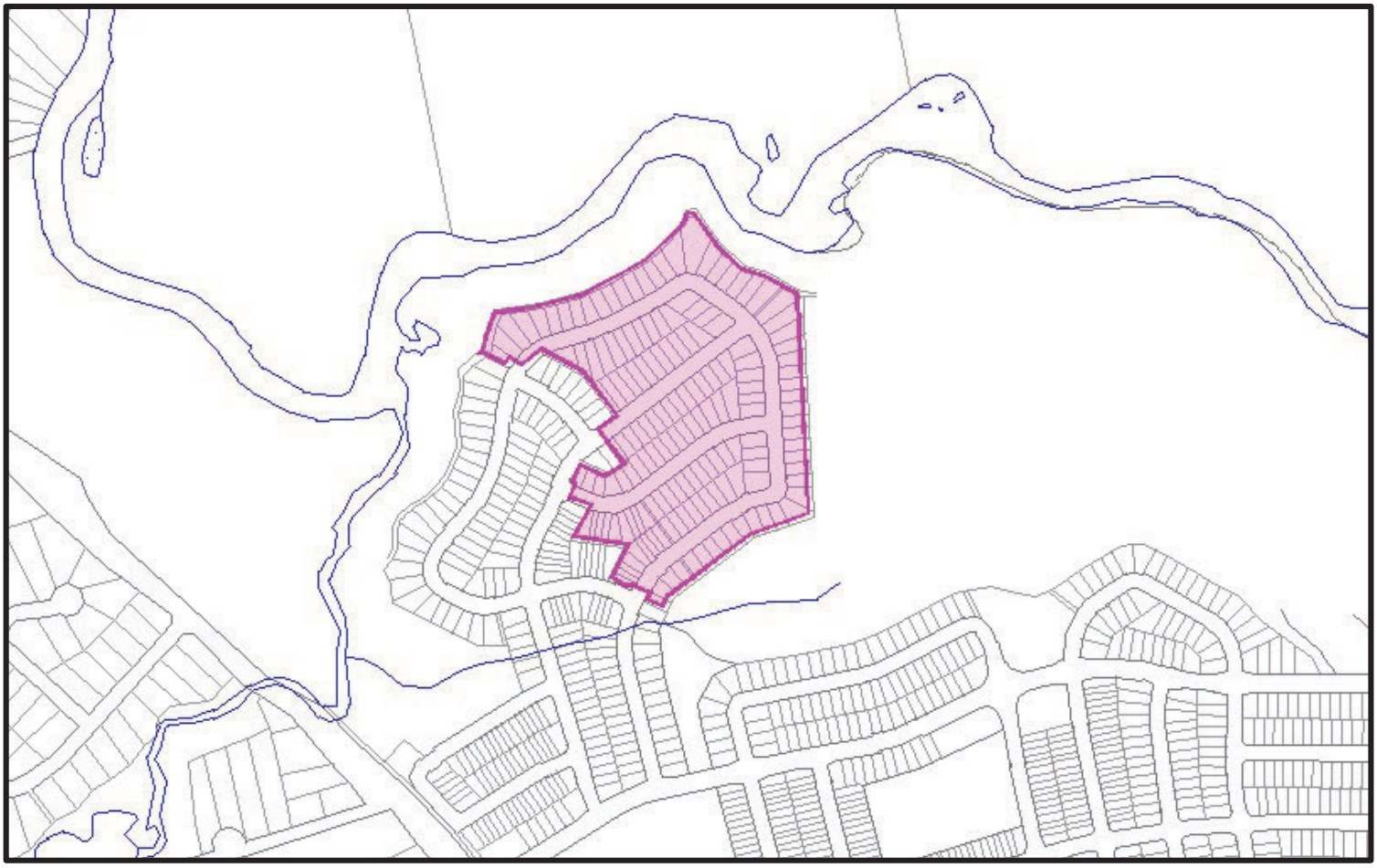
$1,131,964

WDI Net

$199,759

Scope of Project

Lots	162
Transformers	17
Pri. conductor	4,990 m
Sec. conductor	6,330 m
PHM units	1



Sunnidale Trails Sub. - Phase 1B

Description

This project has been in the planning stages for several years. It is located along Sunnidale Road and extends south to the town limits. It is the third phase of the development which consists of more than 2,300 lots, including provisions for schools, and commercial buildings. The entire development will have mix load however phase 1B is made up of 46 detached residential lots. The 2023 budget includes the installation and energization of the entire Phase 1B project.

Project Driver

System Access

Project Estimate

$219,348

Dev. Contribution

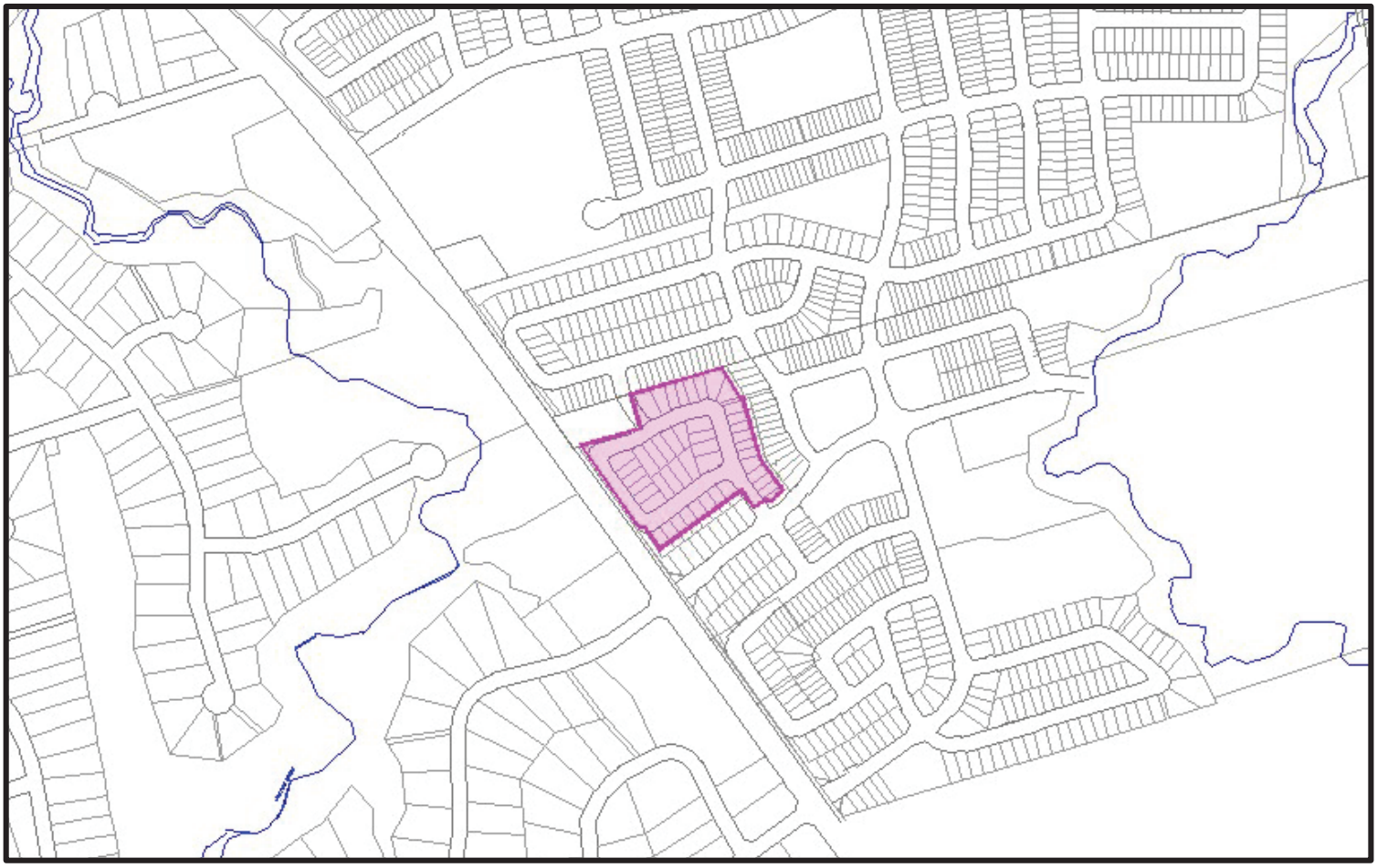
$186,446

WDI Net

$32,902

Scope of Project

Lots	46
Transformers	6
Pri. conductor	842 m
Sec. conductor	1,864 m



Joan Avenue Pole Line

Description

This project is to connect the Town's proposed new West End Depot. In addition to the West End Depot, the construction of Joan Avenue will allow for the connection of existing lots established using a "checkerboard" pattern of land ownership and facilitate a three-phase connection at Ayling Reid Court should it be required in the future.

Project Driver

System Access

Project Estimate

$160,905

Dev. Contribution

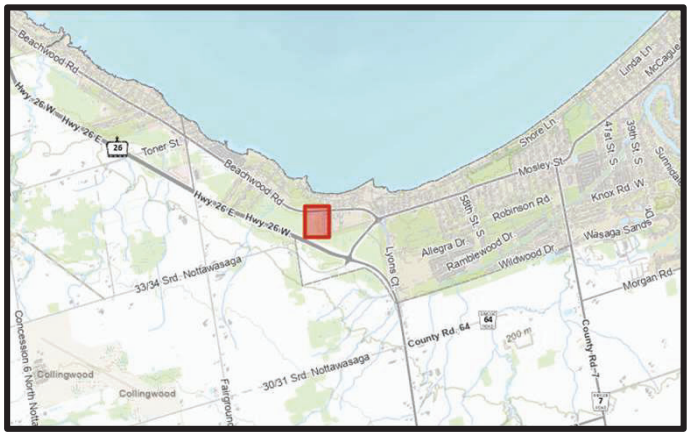
$160,905

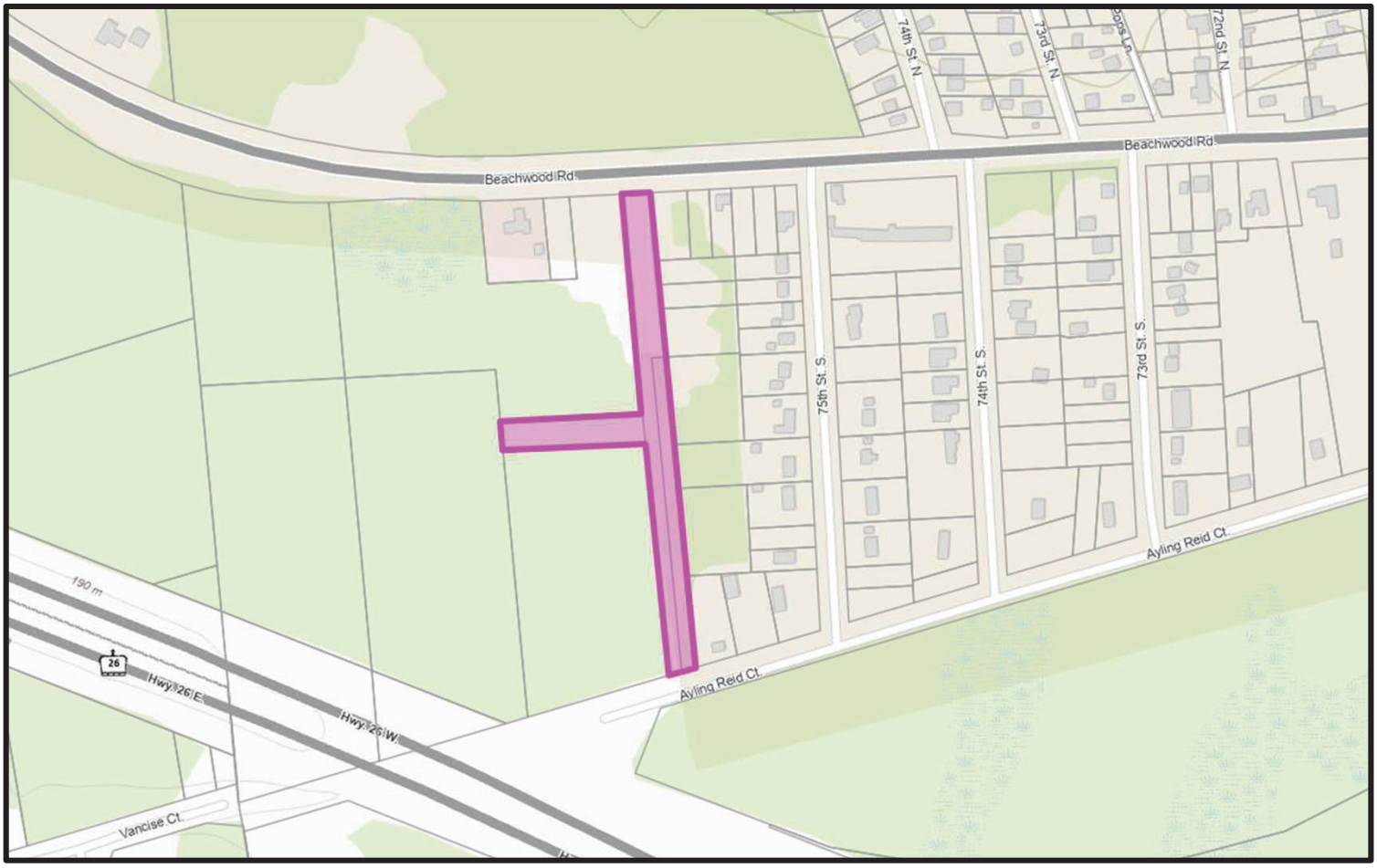
WDI Net

$0

Scope of Project

New Poles	16
Transformers	0
Pri. Conductor	1,470 m
Sec. Conductor	490 m





360 Coastline Drive

Description

This project, located at the intersection of Coastline Drive and Albert Street, and consists of a 22-townhouse condominium development. The development is under construction and is expected to wrap up in 2023.

Project Driver

System Access

Project Estimate

$139,373

Dev. Contribution

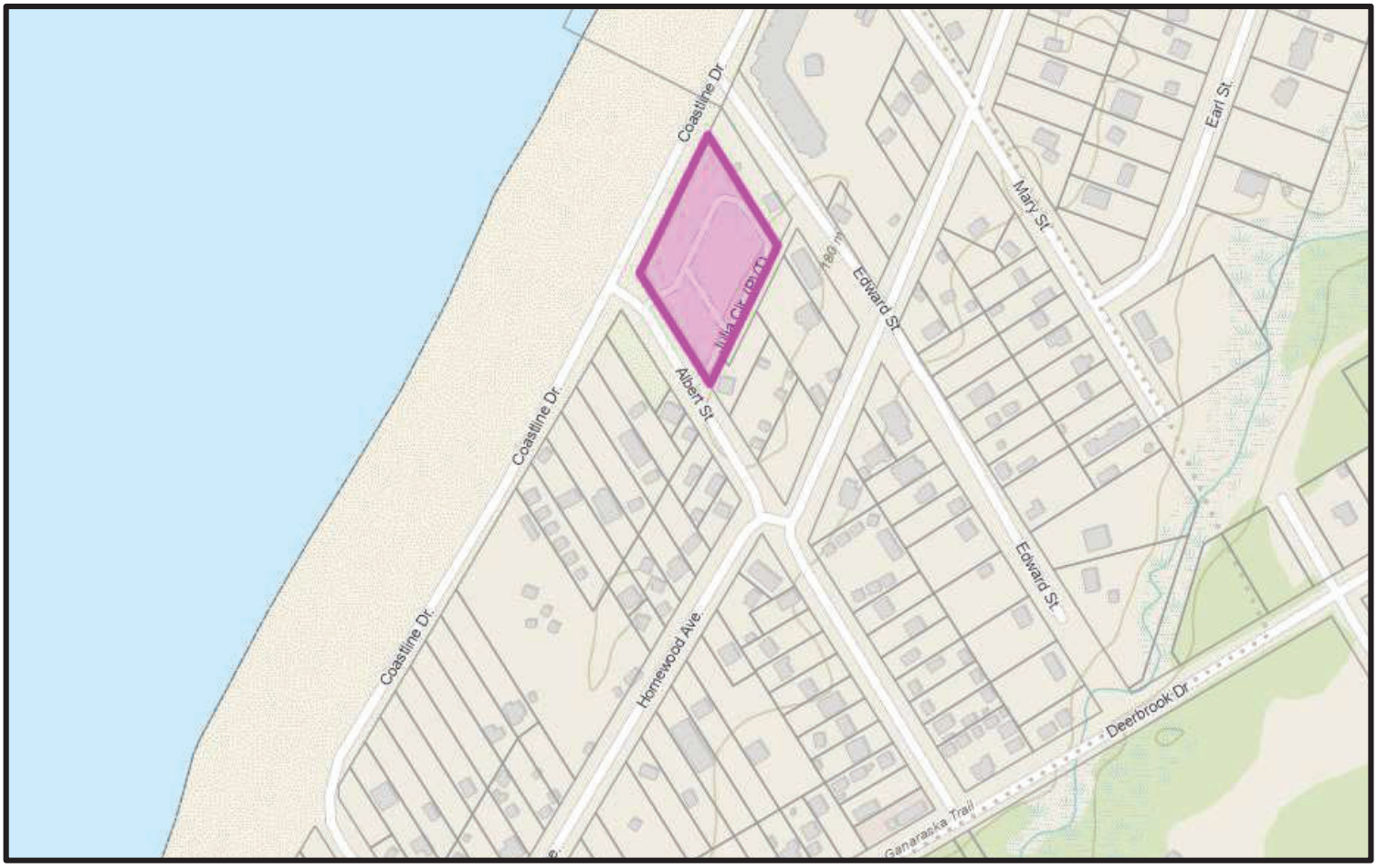
$118,467

WDI Net

$20,906

Scope of Project

Lots	22
Transformers	2
Pri. Conductor	295 m
Sec. Conductor	1,050 m



System Access: Other 2023 Projects

Beach Area 1 - Phase 1

Description

The Beach Area 1 revitalization project is a municipality-driven undertaking where Phase 1 involves the redesign and construction of Beach Drive from 1st Street N. to 3rd Street N. This will be 0% WDI contributed.

Sterling Homes - Phase 2

Description

Included in this project is the cost of labour and material to service 12 lots with secondary ducts and cables. This will be 15% WDI contributed.

New/Upgraded Services

Description

Included in these projects is the cost of labour and material for new and upgraded service connections, which include both residential and commercial lots. These will be approximately 60% WDI contributed.

River's Edge Sub. - Phase 1 Stage 2B

Description

This project is the third installment of the River's Edge development located along Sunnidale Road South with the Nottawasaga River as its northern border. Phase 1 stage 2B consists of 257 detached and townhouse residential lots and 3 institutional blocks. Express feeders from the new municipal station MS#6 will achieve redundancy and load distribution capabilities. We anticipate an executed agreement and construction to begin in 2023 with energization in 2024.

Mapleside Drive Subdivision

Description

This project located north of Ramblewwod Drive, comprising 121 residential services, includes 51 lots owned by Zancor Homes and 32 lots established using a "checkerboard" pattern of land ownership. The number of services planned is to accommodate future lot severances of the individually owned lots. We anticipate an executed agreement and construction to begin in 2023 with energization in 2024.

Section 2 – System Renewal

System Renewal Investments:

Definition

System renewal investments involve replacing and/or refurbishing system assets to extend the original service life of the assets and thereby maintain the ability of the distributor's distribution system to provide customers with electricity services.

Overview of System Renewal Projects

This budget proposes to update the aged distribution plant as identified in the Asset Condition Assessment. The two prime criteria for project selection were pole line segments with small conductors (#4 and #6 bare copper, or #4 ACSR) and poles over 50 years old. The 2023 budget includes replacing approximately 150 poles and 20 transformers, and removing roughly 2,400 m of small conductor. Benefits from this type of work include storm-hardening, increased reliability by reducing planned and unplanned outages, as well as operational efficiencies. Additionally, the new pole lines will be brought up to current construction and safety standards.

Summary of System Renewal Projects – 2023

Projects with map visual:

Project Name	Project Costs	WDI Contribution	Description Slide
Linda Lane and 44th Street N.	$224,169	$224,169	16
23rd Street N.	$191,453	$191,453	17
49th Street N. and Pinecrest Avenue	$189,791	$189,791	18
Sunnidale Road S.	$157,034	$157,034	19
Laidlaw Street and Elm Drive	$113,648	$113,648	20
MS3 Feeder Conductor (F3 and F4)	$100,592	$100,592	21
65th Street N. and 66th Street N.	$86,255	$86,255	22
60th Street N.	$83,794	$83,794	23
61st Street S.	$72,527	$72,527	24

Other Projects and Program:

Project Name	Project Costs	WDI Contribution
Nancy Street	$41,900	$41,900
62nd Street N.	$33,249	$33,249
Springdale Avenue	$26,512	$26,512
Miscellaneous Poles (35)	$235,484	$235,484
Miscellaneous Transformers (10)	$83,399	$83,399
Motor Vehicle Accidents	$25,000	$0
Metering	$25,184	$25,184

Linda Lane and 44th Street N.

Description

This project has been identified as an area with many end-of-life assets (small conductor and 1940s poles). The project is a single-phase branch circuit off 45th Street N. The project will consist of upgrading the poles, removing small conductor, as well as replacing aged transformers.

Project Driver

System Renewal

Project Estimate

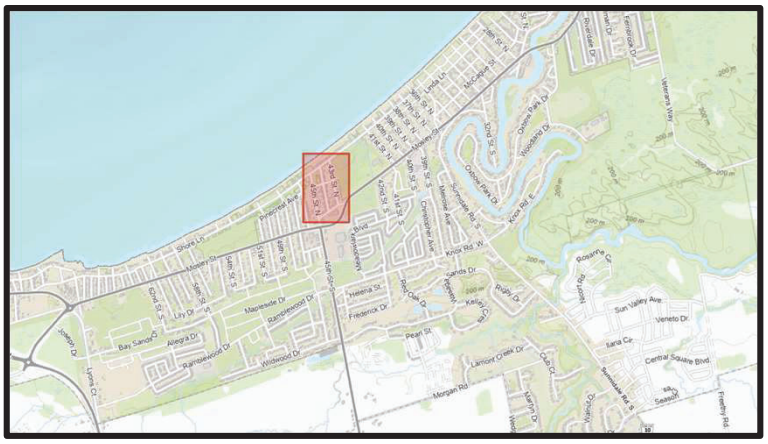
$224,169

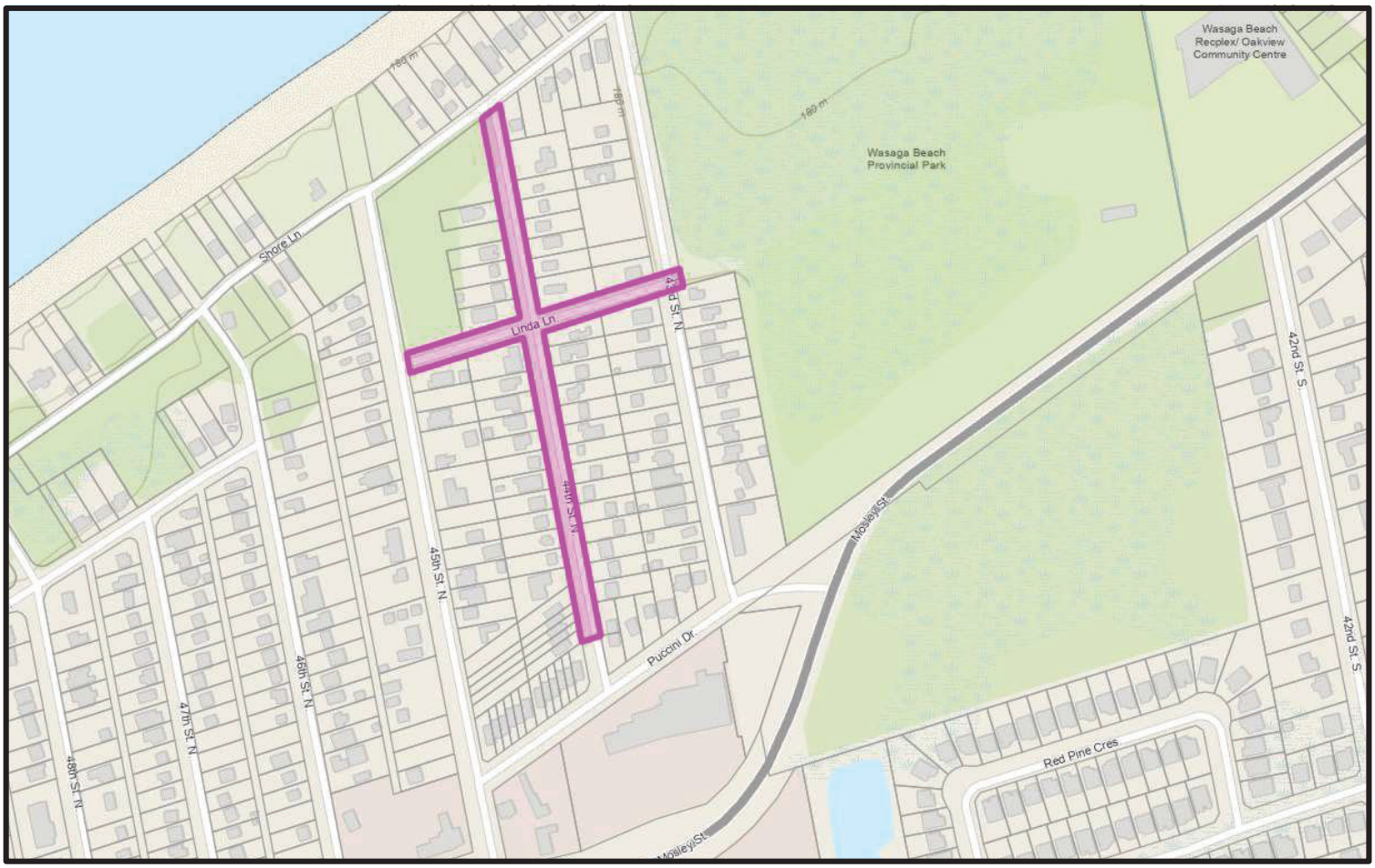
WDI Net

$224,169

Scope of Project

Line Poles	30
Transformers	2
Pri. Conductor	335 m
Sec. Conductor	740 m





23rd Street N.

Description

This project is a three-phase branch circuit off Mosley St. and has been identified as an area with poles calling for replacement based on pole test results. The project will consist of upgrading the poles and conductors as well as replacing aged transformers.

Project Driver

System Renewal

Project Estimate

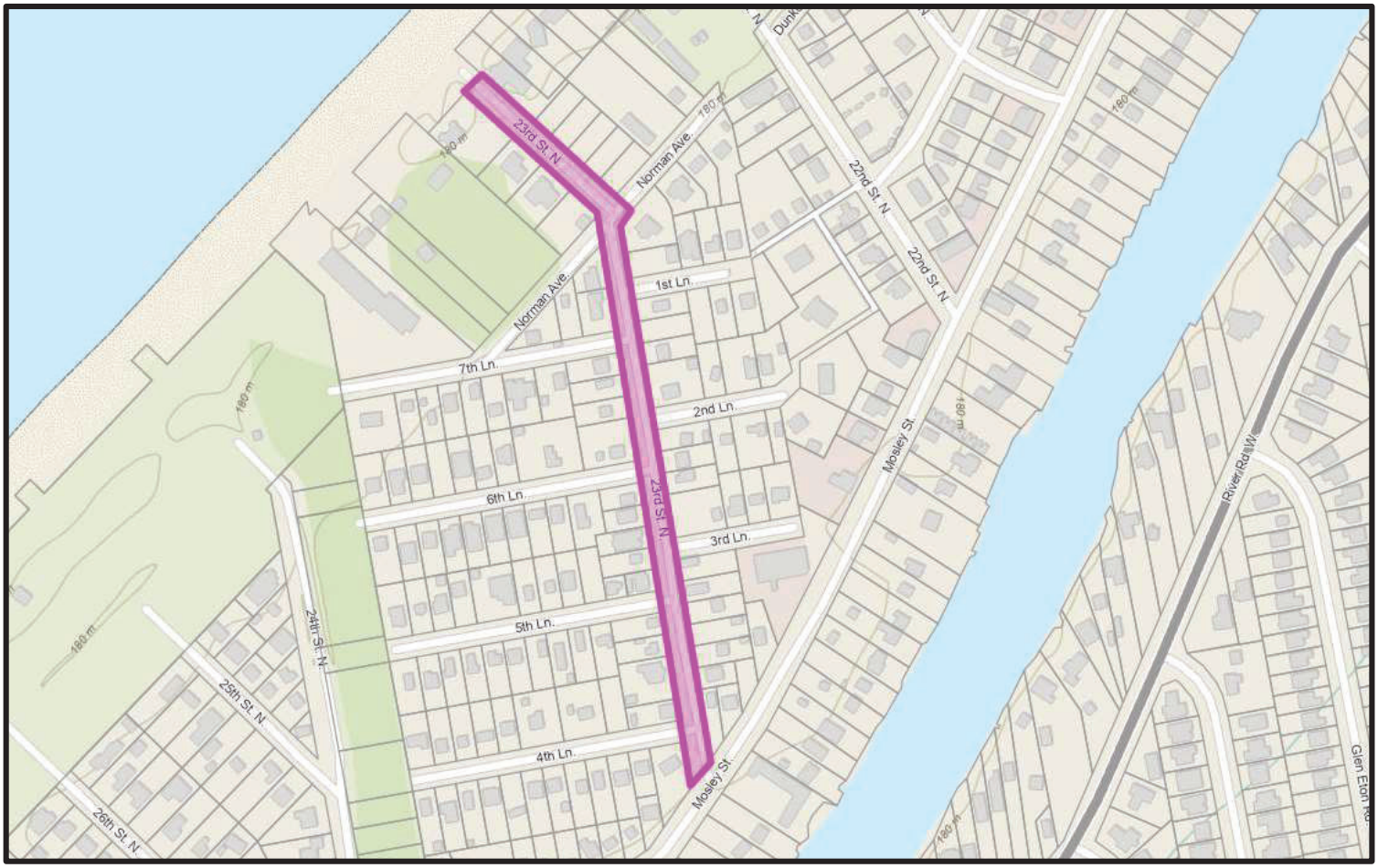
$191,453

WDI Net

$191,453

Scope of Project

Line Poles	30
Transformers	2
Pri. Conductor	335 m
Sec. Conductor	740 m



49th Street N. and Pinecrest Avenue

Description

This project has been identified as an area with many end-of-life assets (small conductor and poles from the 1940s to 1960s). The project is a single-phase branch circuit off Mosley St. The project will consist of upgrading the poles and conductors as well as replacing aged transformers.

Project Driver

System Renewal

Project Estimate

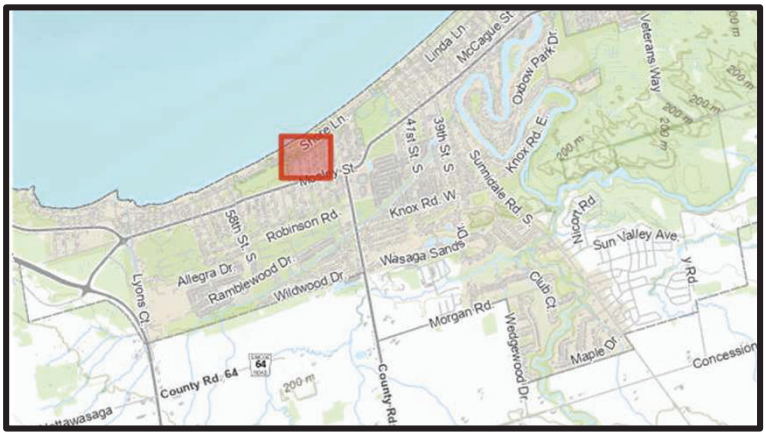
$189,791

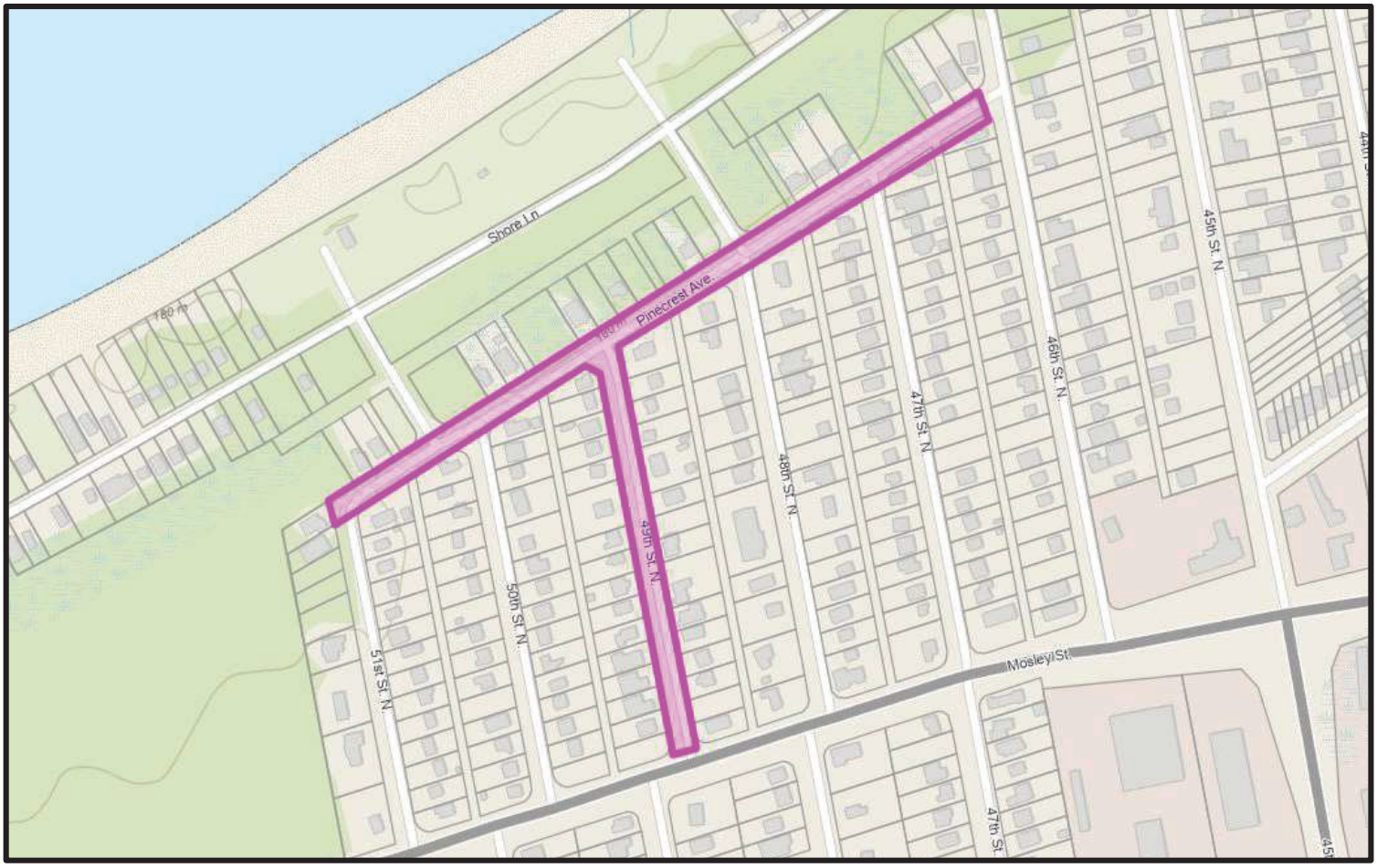
WDI Net

$189,791

Scope of Project

Line Poles	30
Transformers	2
Pri. Conductor	335 m
Sec. Conductor	740 m





Sunnidale Road S.

Description

This project is located on Sunnidale Road South between Mosley Street and Melrose Ave. and is a segment of a key feeder in the central zone of the town. This is the last phase of the Sunnidale pole line replacement plan that started in 2021. The project consists of replacing the end-of-life poles with taller higher-class poles, increasing the conductors' size to allow for greater capacity, and replacing aged transformers. This work will achieve storm-hardening, lower losses, and provide a more robust alternate feed when required.

Project Driver

System Renewal

Project Estimate

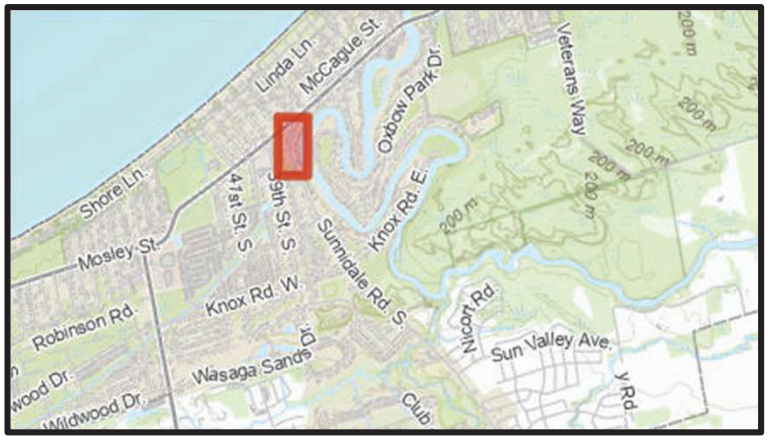
$157,034

WDI Net

$157,034

Scope of Project

Line Poles	8
Transformers	3
Pri. Conductor	450 m
Sec. Conductor	625 m



Laidlaw Street and Elm Drive

Description

This project has been identified as an area with many end-of-life assets (small conductor and some 1960s poles). The project is a single-phase branch circuit off Beck St. The project will consist of upgrading the poles, removing small conductor, as well as replacing aged transformers along Laidlaw St. and reconductoring the primary along Elm Dr. where existing poles and secondary conductors are suitably recent.

Project Driver

System Renewal

Project Estimate

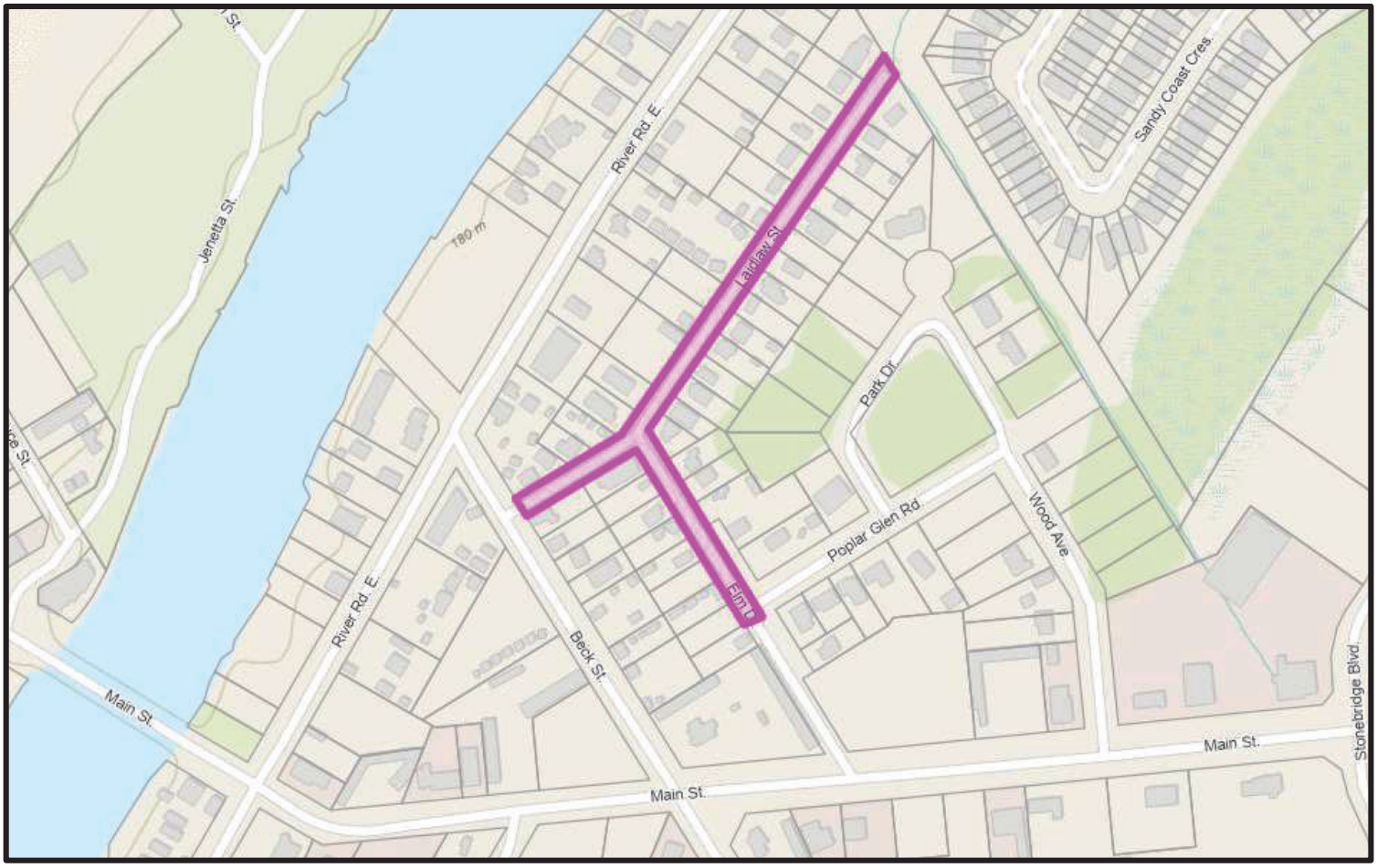
$113,648

WDI Net

$113,648

Scope of Project

Line Poles	13
Transformers	2
Pri. Conductor	400 m
Sec. Conductor	365 m



MS#3 Feeder Conductor (F3 and F4)

Description

This project consists of replacing the existing underground conductors from the station breakers to the feeder poles at the road. Costs include installing a concrete-encased duck bank, replacing the riser poles, and upgrading the aging conductors to increase capacity.

Project Driver

System Renewal

Project Estimate

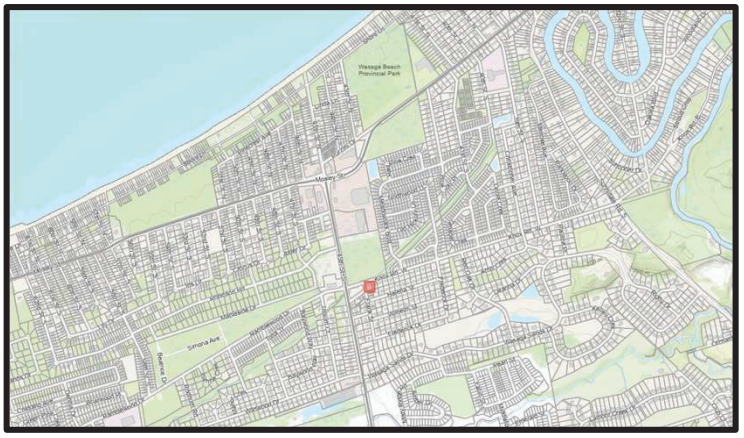
$100,592

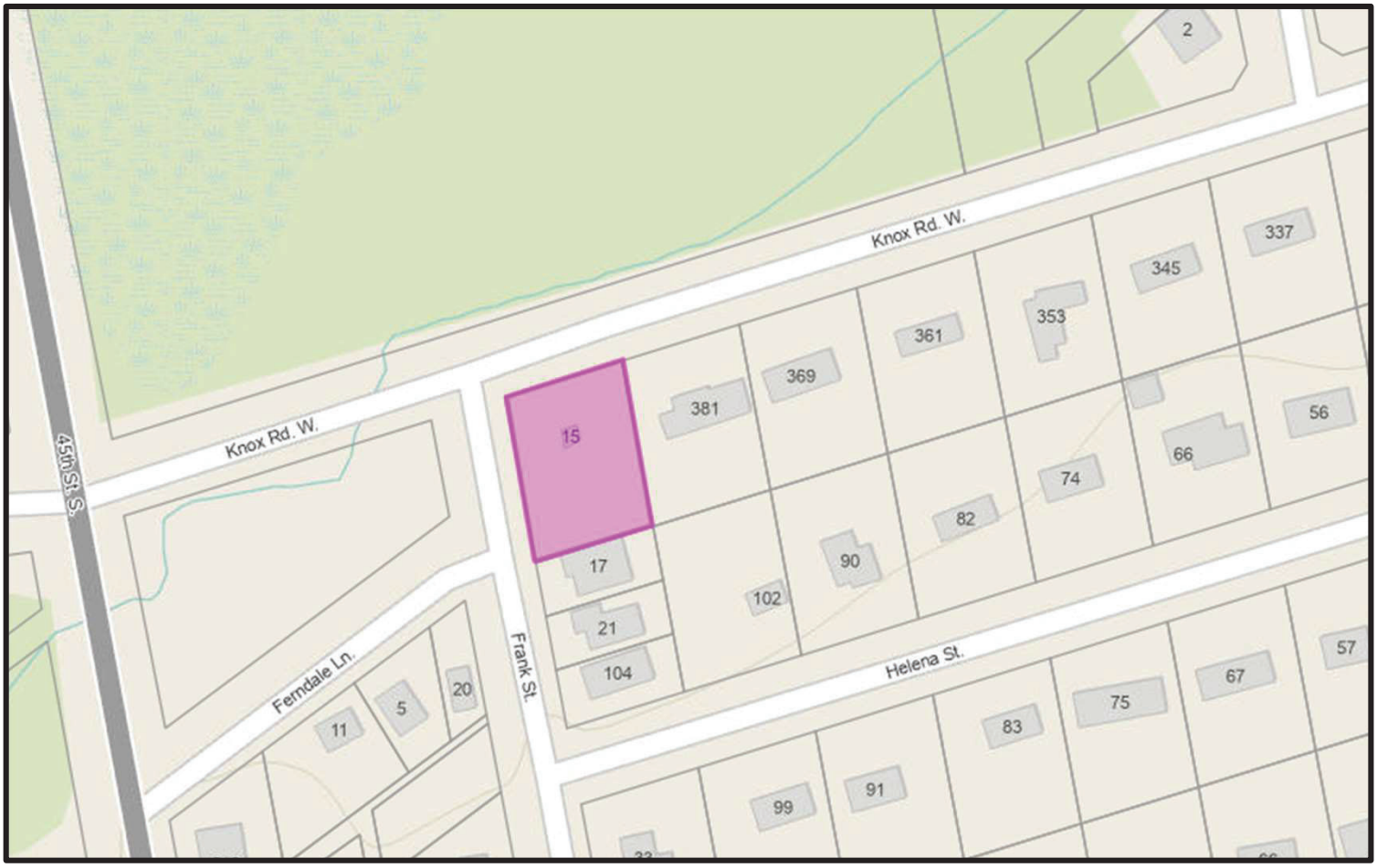
WDI Net

$100,592

Scope of Project

Line Poles	2
Pri. Conductor	160 m





65th Street N. and 66th Street N.

Description

This project has been initiated by a municipal drainage improvement project known as Baysands External Drainage. Existing poles identified as in conflict with proposed works will be relocated. We are taking this opportunity to renew the balance of this single-phase branch circuit off Mosley St. End-of-life assets (small conductor, poles from the 1950s and 1960s, and transformers) will be upgraded.

Project Driver

System Renewal

Project Estimate

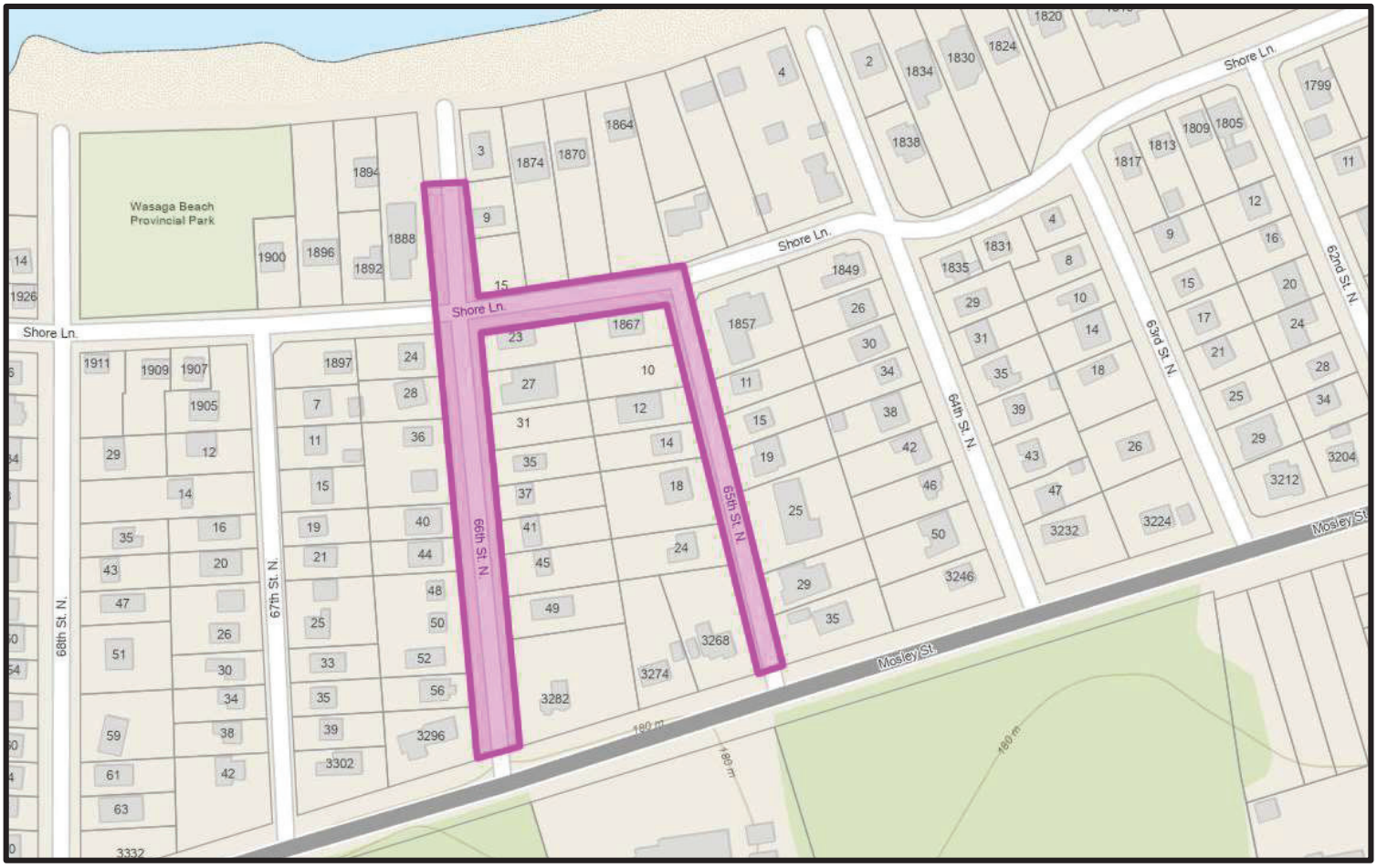
$86,255

WDI Net

$86,255

Scope of Project

Line Poles	8
Transformers	3
Pri. Conductor	300 m
Sec. Conductor	370 m



60th Street N.

Description

This project has been identified as an area with many end-of-life assets (small conductor and 1950s poles). The project is a single-phase branch circuit off Mosley St. The project will consist of upgrading the poles and conductors as well as replacing aged transformers.

Project Driver

System Renewal

Project Estimate

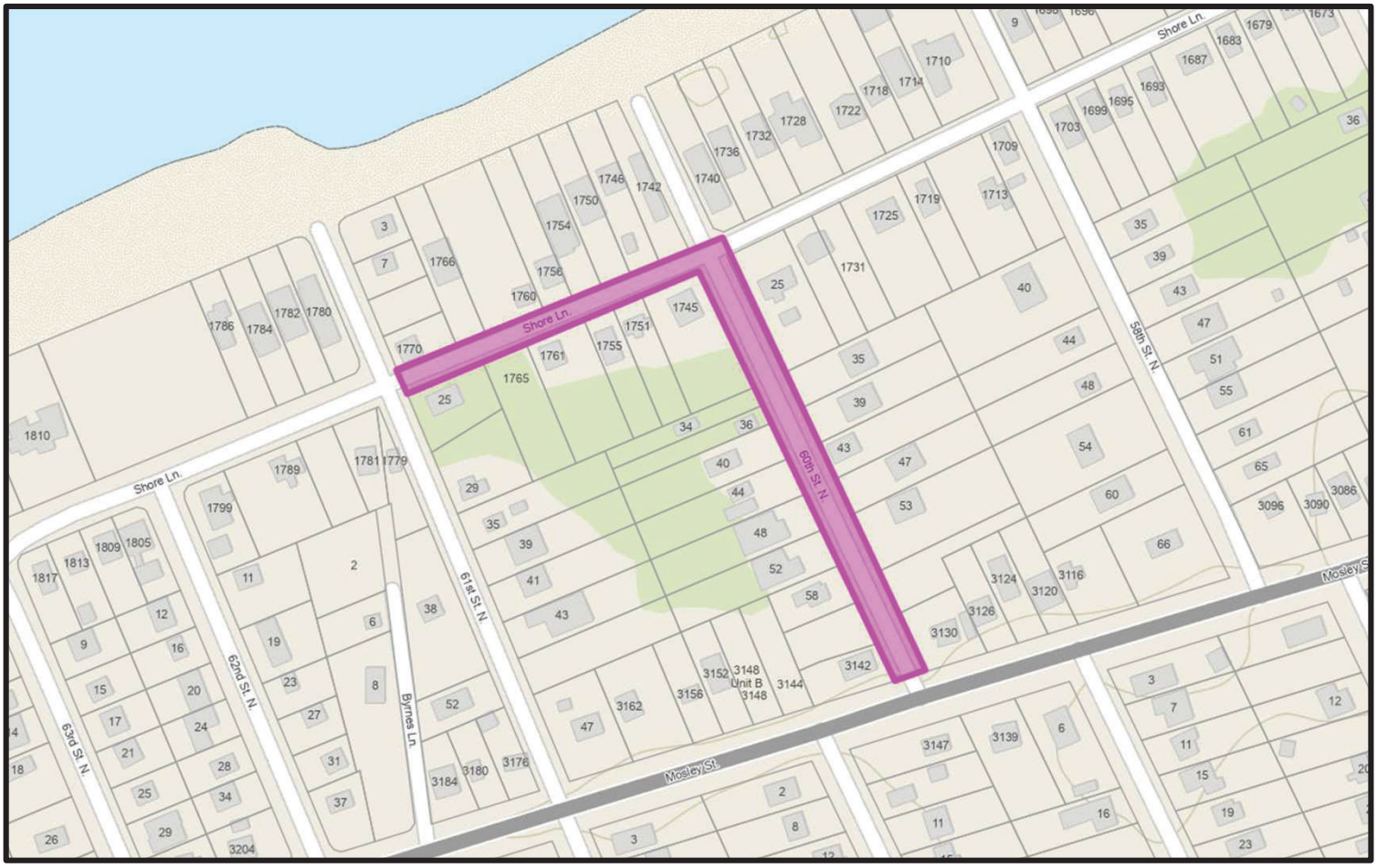
$83,794

WDI Net

$83,794

Scope of Project

Line Poles	10
Transformers	2
Pri. Conductor	180 m
Sec. Conductor	343 m



61st Street S.

Description

This project has been identified as an area with many end-of-life assets (small conductor and 1950s poles). The project is a single-phase branch circuit off Mosley St. The project will consist of upgrading the poles and conductors as well as replacing aged transformers.

Project Driver

System Renewal

Project Estimate

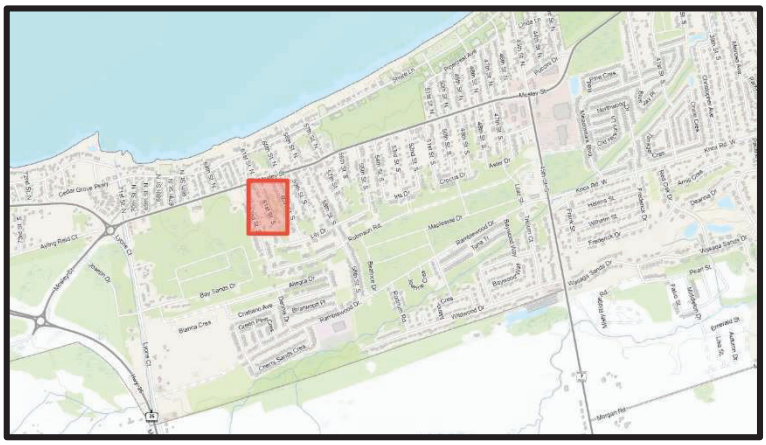
$72,527

WDI Net

$72,527

Scope of Project

Line Poles	8
Transformers	1
Pri. Conductor	151 m
Sec. Conductor	265 m



System Renewal: Other Programs and Projects

Other Pole Line Projects

Description

These projects covers smaller pole line rebuilds along Nancy Street, 62nd Street N., and Springdale Avenue.

Miscellaneous Pole Replacement

Description

This program covers individual poles not part of pole line renewal projects that have been flagged for action or damaged as a result od adverse weather events.

Miscellaneous Transformer Replacement

Description

This program covers individual transformers that have been flagged for action and are not part of pole line renewal projects. Reasons for flagging include operating overloaded, being at end-of-life, or deficiencies found during inspections.

Motor Vehicle Accidents

Description

This program covers distribution system infrastructure not part of pole line renewal projects that are damaged as a result of motor vehicle accidents. These works are 100% recoverable.

Metering

Description

Included in this section is the scheduled workload of Measurement Canada compliance testing. Meters purchased in 2013 are at the end of their seal life and Measurement Canada S-S-06 regulations specify the removal and testing of a random sample of meters from the group population of 600.

A total of 28 miscellaneous meters, 8 single-phase or residential and 20 three-phase meters are due for reverification and must be removed and resealed in 2023.

Section 3 – System Service

System Service Investments:

Definition

System service investments are modifications to a distributor's distribution system to ensure the distribution system continues to meet distributor operational objectives while addressing anticipated future customer electricity service requirements.

Overview of System Service Projects

The 2023 budget plans for the completion of a feeder tie between MS#3 and the new MS#6 to enhance redundancy and improve load distribution capabilities.

Summary of System Service Projects – 2023

Projects with map visual:

Project Name	Project Costs	WDI Contribution	Description Slide
Morgan Road	$547,631	$547,631	29

Morgan Road

Description

This project is phase 2 of a feeder-rated tie between MS#3 and MS#6 that was started in 2022. This project includes replacing the three-phase riser pole on Sunnidale Rd. S., installing ducts and conductors through the golf course to Club Court where the existing sectionalizing cabinet will be replaced with a new padmounted switchgear unit. New conductors will be installed in existing ducts between the new switchgear unit and the existing pole line at Wedgewood Drive to complete the circuit. Ultimately, this project will have the benefits of redundancy, increased load distribution capabilities, and greater load capabilities.

Project Driver

System Services

Project Estimate

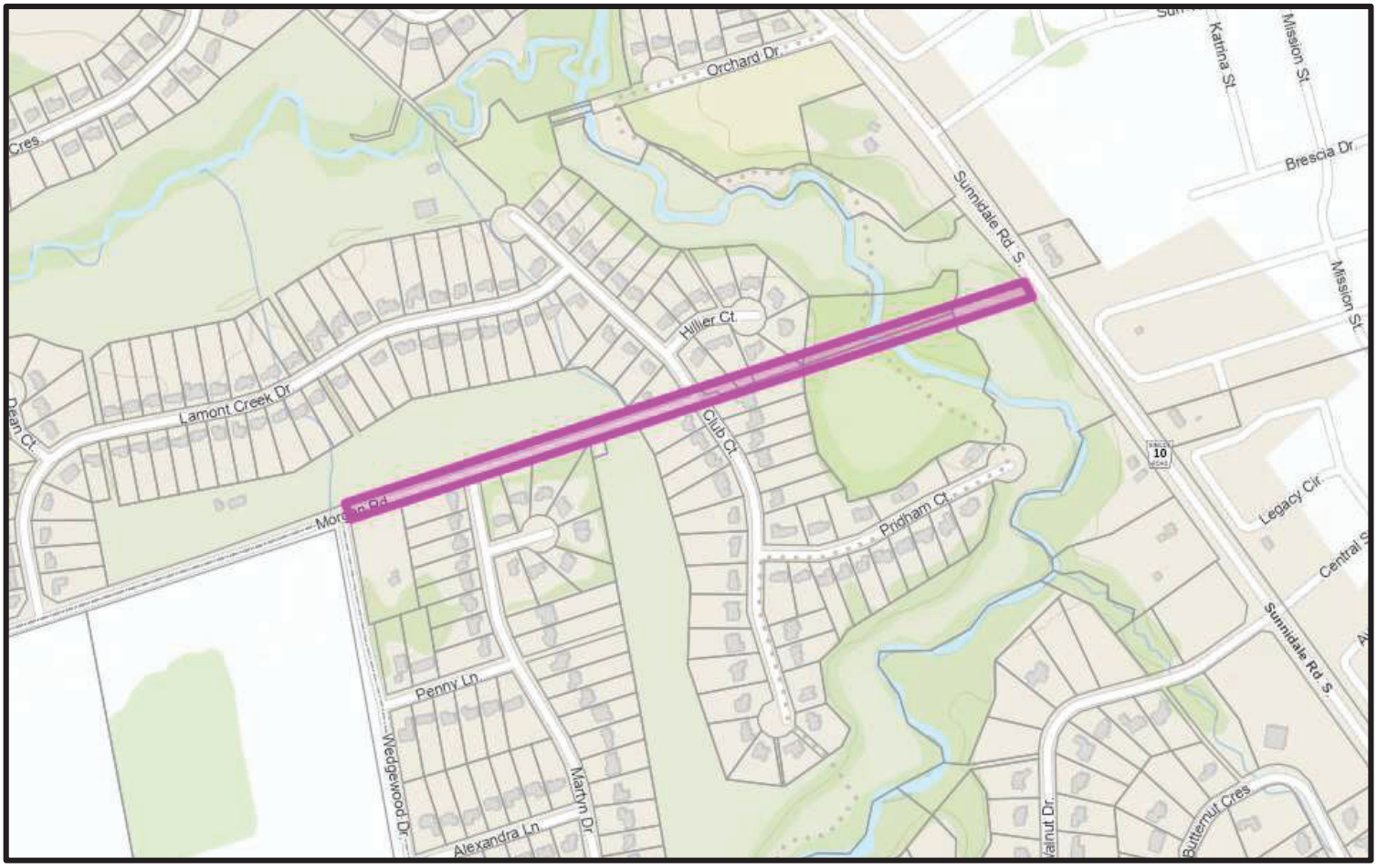
$225,207

2022 Budget

$225,207

Scope of Project

Line Poles	23
Pri. Conductor	3,300 m
Sec. Conductor	1,100 m



Section 4 – General Plant

General Plant Investments:

Definition

System plant investments are modifications, replacements or additions to a distributor's assets that are not part of its distribution system including land and buildings, tools and equipment, rolling stock and electronic devices and software used to support day-to-day business and operations activities.

Overview of General Plant Projects

The 2023 budget has provisions for modifications to the shop such as;

- repairs to the concrete floor
- a back-up generator
- a concrete loading pad
- establish additional storage space

Summary of General Plant Projects – 2023

Projects and Programs:

Project Name	Project Costs	WDI Contribution
Office and Shop Modifications	$50,000	$50,000

Attachment 5

Offer to Connect –
Subdivision Contract
64596755

Multi-Service Connection Cost Agreement

Project Type: Subdivision

Developer: PRIMONT WASAGA 2 INC

Subdivision Name: ZSD - 400 45th Street South Subd

Required Execution Date of Contract: Sept 29, 2025

PRIMONT WASAGA 2 INC (**the "Developer")** has requested and **Hydro One Networks Inc. ("Hydro One")** has agreed to perform certain work pertaining to the connection of the project described below, on the terms and conditions set forth in this Multi-Service Connection Cost Agreement dated this 2nd day of Apr 2025, (the "**Agreement**"). The attached Standard Terms and Conditions for Multi-Service Connection Projects V8 1-2024 (the "**Standard Terms and Conditions**") and the following schedules, as amended, supplemented or restated from time to time, are to be read with and form part of the Agreement:

- Schedule "A" (Description of the Non-Contestable Work and the Contestable Work);
- Schedule "B" (Description of Civil Work);
- Schedule "C" (Specifications);
- Schedule "D" (Hydro One Design - Drawing # 000303602572-2025-04-02)
- Schedule "E" (Economic Evaluation Results)
- Schedule "F" (Option A/Option B Chart)
- Schedule "G" (Form of Transfer of Ownership of Primary Distribution System, Secondary Distribution System, Line Expansion and Residential Service Cables)

Unless otherwise defined herein, all capitalized terms herein shall have the meaning ascribed to them in the Standard Terms and Conditions

I. Project Summary

The Developer is planning to:

Expand or develop a residential subdivision known as ZSD - 400 45th Street South Subd at the property located at Pt Lots , Concession , Township of Sunnidale as more particularly described in PIN _____, and where a plan of subdivision has been registered as _____ at __:__ a.m./p.m. on the ____ day of _____, _____ (the foregoing being hereinafter described as the **"Project").**

The Developer hereby agrees to proceed with one of the following options:

Option A: Hydro One performs the Non-Contestable Work and the Contestable Work; or

Option B: The Developer performs the Contestable Work and Hydro One performs the Non-Contestable Work, **by confirming its' selection of the appropriate option contained in below:**

The Developer hereby elects Option A by checking the box below and initialling where specified below and agrees with and accepts all the figures contained in the Option A Chart set out in Schedule "F".
Option A ☐ _____ (Developer's Signatories' Initials)

The Developer hereby elects Option B by checking the box below and initialling where specified below and agrees with and accepts all the figures contained in the Option B Chart set out in Schedule "F".
Option B ☐ _____ (Developer's Signatories' Initials)

II. Term

Except as expressly set out in this Agreement, this Agreement shall be in full force and effect and binding on

the parties upon execution by both parties and shall terminate on the 7th anniversary of the Energization Date. Termination of the Agreement for any reason shall not relieve either party of its liabilities and obligations existing under the Agreement at the time of termination. Termination of this Agreement for any reason shall be without prejudice to the right of either party, including the terminating party, to pursue all legal and equitable remedies that may be available to it including, but not limited to, injunctive relief.

III. Impact on Agreement if Developer Fails to Execute the Agreement by the Required Execution Date

All amounts quoted in the applicable Option A Chart or the Option B Chart (including, but not limited to, the Firm Offer and the estimate of Available Support and the estimate of the Capital Contributions will only remain valid until the Required Execution Date (see Part IV below).

This Agreement shall be null and void and neither party shall have any further liability or obligation to the other if the Developer fails to do any of the following:

(i) Execute and deliver this Agreement to Hydro One by the Required Execution Date; or
(ii) Deliver the Capital Contribution to Hydro One upon the execution of the Agreement by the Developer; or
(iii) Deliver the Expansion Deposit to Hydro One upon the execution of the Agreement by the Developer; or
(iv) Deliver proof of insurance as required under the terms of this Agreement upon the execution of the Agreement by the Developer.

IV. Miscellaneous:

Developer's HST Registration / Exemption Number:[1]	_____
Expansion Deposit:[2]	**$2,264,884.00**
Expansion Deposit HST:	**$294,434.92**
Expansion Deposit Amount Payable (with HST):	**$2,559,318.92**
Easement Date:[3]	**14th day of May 2025**
Permit (s.28(2)) Date:[3]	
Customer Connection Horizon:	5 years
Required Execution Date:	**29th day of Sept 2025**
Revenue Horizon:	10 years
Developer Notice Info:[4]	

1 See Subsection 1.1(e) of the Standard Terms and Conditions.
2 See Sections 6.1 and 6.2 of the Standard Terms and Conditions.
3 See Subsections 5.2(l) of the Standard Terms and Conditions.
4 See Section 13.5 of the Standard Terms and Conditions.

PRIMONT WASAGA 2 INC
9130 LESLIE STREET RICHMOND HILL ON L4B 0B9

Attention:

Fax:

V. Entire Agreement

Subject to Section 2.4 of the Standard Terms and Conditions, this Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior oral or written representations and agreements concerning the subject matter of this Agreement.

VI. Offer to connect

This Agreement constitutes Hydro One's offer to connect for the new or modified connetion of the project to Hydro One's distribution system. If you wish to accept Hydro One's offer to connect on the terms and conditions below by entering into this Agreement with Hydro One, You must execute and deliver this Agreement to Hydro One by no later than the Required Execution Date identified above in part IV together with the amounts payable by you on execution of this Agreement (including any Expansion Deposit)

VII. Amendments

It is recognised that from time to time during the currency of the Agreement the parties hereto may mutually, unless otherwise provided for in the Agreement, alter, amend, modify or vary the provisions of the Agreement and such alteration, amendment, modification, variation or substitution shall be effected in writing and attached hereto and shall be deemed to form part hereof and shall, from the date agreed upon, alter, amend, modify, vary or substitute the Agreement in the manner and to the extent set forth in writing by the parties. Subject to the foregoing, no amendment, modification or supplement to the Agreement shall be valid or binding unless set out in writing and executed by the parties with the same degree of formality as the execution of the Agreement.

VIII. Successors and Permitted Assigns

This Agreement shall be binding upon and shall ensure to the benefit of the successors and permitted assigns of the Parties and the Chief and Council.

IX. Counterparts and Electronic Signature

This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The facsimile, email or other electronically delivered signatures of the parties shall be deemed to constitute original signatures, and facsimile or electronic copies hereof shall be deemed to constitute duplicate originals. For greater certainty, execution and delivery of this Agreement by electronic exchange bearing the copies of a party's signature shall constitute a valid and binding execution and delivery of this Agreement by such party. An electronically scanned copy of a signature shall constitute and shall be deemed to be sufficient

evidence of a party's execution of this Agreement, without necessity of further proof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

HYDRO ONE NETWORKS INC.

I have the authority to bind the Corporation

PRIMONT WASAGA 2 INC

_____
Name:
Title:
Date:
I have the authority to bind the corporation.

_____(signature)
Witness
Name [please print]:
Date:

Schedule "A" Description of the Contestable and Non-Contestable Work

See attached Drawing 000303602572-2025-04-02

Description of Non-Contestable Work Hydro One MUST perform:

For Underground Lines (Including Submarine):
1. Perform make ready work on existing Hydro One facilities (dip pole or existing transformer or kiosk)
2. Termination of all primary and secondary cables within the Electrical Distribution System
3. Installation of transformers and kiosks including inserts, elbows, insulating caps, arrestors and feed through
4. Install kiosks including insulating caps
5. Install numbering, signs, locks and phase markings on transformers and kiosks
6. Connection of grounds to transformers and kiosks
7. Install switching/isolation of existing Hydro One facilities
8. Perform Inspection

For Overhead Lines:
1. Perform make ready work on existing Hydro One facilities
2. Termination of all primary cables at transformer and switch locations and secondary cables transitioning to underground within the Electrical Distribution System
3. Install transformers and transformer framing
4. Install switches

Description of Contestable Work Hydro One or Developer/Contractor can perform (Unless otherwise stated on Drawing):

For Underground Lines (Including Submarine):
1. Supply and install primary and secondary cables
2. Install secondary splices

For Overhead Lines:
1. Install new poles, primary and secondary conductor, guys and anchors
2. Install primary and secondary framing
3. Install grounding (Plates and Rods)

Schedule "B" - Description of Civil Work

The Developer shall perform the following Civil Work, at its own expense, in accordance with the terms of this Agreement, including, the applicable Hydro One Specifications and standards:

For Underground Lines:

- Excavate trenches;
- Install sand padding with masonry sand;
- Supply and install pre-cast concrete vaults and backfill;
- Install bollards if specified by Hydro One in the design of the Electrical Distribution System;
- Install grounding (Rods);
- Install a crushed stone base for transformers and kiosks;
- Install partial and complete duct banks as specified on drawing (Direct Buried and or Concrete Encased);
- Install road crossing ducts (Including Road Cuts and Bores) complete with pull rope and caps for spares; and
- Perform any other Civil Work referenced in the applicable Hydro One Specifications and standards.

For Sub-cable work (In addition to requirements for Underground Lines):

- Install poured pads (when specified on drawing) in accordance with Hydro One's Standard DU-06-302;
- Supply and install pre-cast concrete vaults and or aluminum vaults;
- Install masonry sand padding and crushed stone; and
- Perform any other Civil Work referenced in the applicable Hydro One specifications and standards.

All Forestry work outside of operating clearances around existing lines

Schedule "C" - Specifications

The following will be provided to the Developer through a PDF attachment on an e-mail:

The Hydro One Overhead and Underground Distribution Standards

Schedule "D" - Hydro One Design - Drawing # 000303602572-2025-04-02

Schedule "E": Economic Evaluation Result

Date:	9-Apr-25
Project #	303602572
Basis of Cost Estimate for the Project:	Class A

Estimated Project In-Service Date:	1-Nov-25
Economic Study Horizon (no. of years):	40

Project Name: PRIMONT WASAGA 2 INC

		In-Service						
	0	Date	<------- Project year ended - annualized from In-Service Date ------->					
	0		Nov-1	Nov-1	Nov-1	Nov-1	Nov-1	Nov-1	Nov-1
			2025	**2026**	**2027**	**2028**	**2029**	**2030**	**2031 - 2065**
Total Connections			0	367	504	570	622	655	655
Total incremental Energy (kWh/month) - for energy billed rate classes			0	127,266	301,650	372,027	412,936	442,405	442,405
Total incremental Demand (kW/month) - for demand billed rate classes			0	0	0	0	0	0	0
Gross Revenue - $K annual			0.0	156.6	371.2	457.7	508.0	544.3	544.3
OM&A Costs - $K			0.0	(22.5)	(48.9)	(59.6)	(65.7)	(70.2)	(70.2)
Ontario Capital Tax and Municipal Tax - $K			0.0	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)
Operating Cash Flow (before taxes) - $K			0.0	133.0	321.2	397.1	441.3	473.0	473.0
Capital Expenditures - $K - includes interest & OH									
Upfront - capital cost before overheads & AFUDC			($2,264.9)						
- Overheads			$0.0						
- AFUDC			$0.0						
- Line Expansion - Fair Share Amount			$0.0						
- Subdivision Expansion - Fair Share Amount			$0.0						
Total Upfront capital expenditures			**($2,264.9)**	includes replacement					

Discounted Cash Flow Summary					
Economic Study Horizon - Years:		**40**			
Discount Rate - %		**5.62%**			
Includes OEB-approved ROE and forecast cost of debt					
$K		**Before Contribution**		**After Contribution**	**Impact**
PV Incremental Revenue		$8,358.6		$8,358.6	
PV Incremental OM&A Costs		($1,080.9)		($1,080.9)	
PV Ontario Capital Tax and Municipal Tax		($16.8)		($16.8)	
PV Taxes		($1,924.2)		($1,924.2)	
PV CCA Tax Shield		$352.6		$352.6	
PV Capital - Upfront	($2,264.9)		($2,264.9)		
Add: PV Capital Contribution	**$0.0**	($2,264.9)	**$0.0**	($2,264.9)	
PV Capital - On-going		$0.0		$0.0	
PV Proceeds on disposal of depreciable property		$0.0		$0.0	
PV Working Capital		($4.1)		($4.1)	
PV Surplus / (Shortfall)		$3,420.4		**$3,420.4**	**N/A**
Capital Contribution required (may be offset by Transfer Price, if applicable) - $k $0.0					

Payback Year: (NPV = 0)	2034
No. of years required for payback:	9.0

		In-Service Date	<------- Project year ended after in-service date ----- >					Incremental	
		Cumulative number of Connections						Avg monthly usage	
Connection Type	**Rate Class**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**per connection***	
Residential	R1	0	366	503	569	621	654	676	kWh
GS < 50 kW	GSe	0	1	1	1	1	1	378	kWh
GS > 50 kW	None	0	0	0	0	0	0	N/A	kW
ST	None	0	0	0	0	0	0	N/A	kW
St.Lgt	None	0	0	0	0	0	0	N/A	kWh
Dgen	None	0	0	0	0	0	0	N/A	kWh
Total		**0**	**367**	**504**	**570**	**622**	**655**	*Incremental, as of year 5	

Other Assumptions		
Grants in Lieu of Municipal tax	0.046%	Distribution system average
Income Tax Provision	26.50%	Rates Per EB-2017-0049 - HONI Distribution Rates 2018-2022 - Draft Rate Order
Capital Cost Allowance	8.0%	100% Class 47 assets
Working cash net lag days	26.69	Per Navigant Lead Lag study (Dec. 2016) - EB-2017-0048 Exhibit D1-1-3 Attachment 1

Expansion Length	**Metres**
Line Expansion	596
Subdivision Expansion	4429

Expansion Deposit, before HST	
Maximum Expansion Deposit ($)	2,264,884
Percentage of Maximum Expansion Deposit Required	**100%**
Expansion Deposit Payable ($)	2,264,884
Deposit Refund per Residential Connection ($)	**9,469**
Deposit Refund per GS < 50 kW Connection ($)	8,795
Deposit Refund per kW for Demand Billed Connections ($)	N/A

For Expansion Fair Share Administration	
Project Costs:	
Line Expansion Fair Share	$0
Line Expansion Capital + PV OM&A	$118,972
Subdivision Expansion Fair Share	$0
Subdivision Line Expansion Capital + PV OM&A	$395,506
Connection: Capital + PV OM&A	$2,831,295
Total Capital Contribution	**$0**
Capital Contrbution Allocated to:	
1. Line Expansion Fair Share, then	$0
2. Line Expansion, then	$0
3. Subdivision Expansion Fair Share, then	$0
4. Subdivision Line Expansion, then	$0
5. Connection Costs	$0

Schedule "F": Option A/Option B Charts

Option A - Hydro One Networks Performs Non-Contestable Work and Contestable Work		
Part 1 Non-Contestable Work Firm Offer		
		TOTAL
1.0	**Engineering & Design**	
1.1	Design Costs	$16,718.54
	Total Cost Section 1.1	$16,718.54
2.0	**Cost of Non-Contestable Work Other Than Line Expansion**	
		TOTAL
2.1	Non-Contestable Subdivision Connection Costs	
	Material	$143,651.10
	Labour	$188,822.57
	Equipment	$66,576.15
	Other Miscellaneous	$0.00
	Administration & Overheads	$23,930.01
	400A Meterbase Credit	$0.00
	Total Cost Section 2.1	$422,979.83
2.2	Non-Contestable Subdivision Secondary Costs	
	Material	$500,862.38
	Labour	$80,261.70
	Equipment	$27,790.81
	Other Miscellaneous	$0.00
	Administration & Overheads	$36,329.80
	Total Cost Section 2.2	$645,244.69
2.3	Non-Contestable Subdivision Primary Costs	
	Material	$49,951.70
	Labour	$62,815.03
	Equipment	$22,269.45
	Other Miscellaneous	$0.00
	Administration & Overheads	$8,057.37
	Forestry Cost (If Applicable)	$0.00
	Total Cost Section 2.3	$143,093.55
3.0	**Cost Of Non-Contestable Line Expansion (If Applicable)**	
		TOTAL
3.1	Non-Contestable Line Expansion Costs	
	Material	$4,086.50

	Labour	$7,287.55
	Equipment	$2,868.55
	Other Miscellaneous	$0.00
	Administration & Overheads	$1,274.86
3.2	Cost To Connect To An Existing Powerline	$0.00
3.3	Forestry Cost (If Applicable)	$0.00
3.4	Miscellaneous Approvals Such As Water Crossing, Railway Crossing, Pipeline Crossing, etc.	$0.00
3.5	Easements, Permits and Approvals	$0.00
	Total Cost Section 3.1 to 3.5	$15,517.46
Part 2 Contestable Work Firm Offer		
		TOTAL
4.0	**Cost of Contestable Work Other Than Line Expansion**	
4.1	Contestable Subdivision Connection Costs	
	Material	$105,861.58
	Labour	$214,744.43
	Equipment	$72,697.80
	Other Miscellaneous	$0.00
	Administration & Overheads	$23,465.14
	Total Cost Section 4.1	$416,768.95
4.2	Contestable Subdivision Secondary Costs	
	Material	$148,426.46
	Labour	$113,371.63
	Equipment	$38,833.51
	Other Miscellaneous	$0.00
	Administration & Overheads	$17,934.39
	Total Cost Section 4.2	$318,565.99
4.3	Contestable Subdivision Primary Costs	
	Material	$106,952.50
	Labour	$73,797.55
	Equipment	$25,766.31
	Other Miscellaneous	$0.00
	Administration & Overheads	$12,320.69
	Total Cost Section 4.3	$218,837.05
5.0	**Contestable Cost Of Line Expansion (If Applicable)**	
		TOTAL
5.1	Contestable Cost of Line Expansion	
	Material	$24,005.17
	Labour	$26,768.91

	Equipment	$10,822.51
	Other Miscellaneous	$0.00
	Administration & Overheads	$5,511.33
	Total Cost Section 5.1	$67,107.92
	Total Cost (Sections 1.0 through 5.0) -Included in DCF	$2,264,833.98
	Less: Credit for Replacement of End of Life or Advanced Age Assets	($1,039.56)
	Less: DCF Revenue Support Credit or Cost	($2,264,894.42)
	Remaining Balance (Capital Contribution from DCF)	($1,100.00)
Part 3 Non-Contestable and Contestable Work Above Standard Connection		
		TOTAL
6.0	**Items Excluded From Receiving Support**	
6.1	Pad-mount Transformer Differential/Incremental Cost	$0.00
6.2	Returned Material Charge	$0.00
6.3	Additional Layout Fees	$0.00
	Total Cost Section 6.1 to 6.3	$0.00
Part 4 Totals		
	Sub-Total (without HST) for Option A	($1,100.00)
	HST for Option A	($143.00)
	Grand Total (with HST) for Option A	($1,243.00)
	Less: Design Fees prepaid (with HST)	$0.00
	Less: Other Deposit Paid (with HST)	$0.00
	GST/HST# 870865821RT0001	
A-1	The Developer shall pay 100% of the Remaining Cost to be incurred by Hydro One Networks at the time of signing of this Agreement, in the amount of =	$0.00
A-2	Maximum Refund Available to Developer After Hydro One Networks Support Applied	$0.00
I elect to choose Option A ☐	_____ **Signature**	

Option B - Hydro One Networks Performs Non-Contestable Work Only		
Part 1 Non-Contestable Work Firm Offer		
		TOTAL
1.0	**Engineering & Design**	
1.1	Design Costs	$16,718.54
	Total Cost Section 1.1	$16,718.54
2.0	**Cost of Non-Contestable Work Other Than Line Expansion**	
		TOTAL
2.1	Non-Contestable Subdivision Connection Costs	
	Material	$143,651.10
	Labour	$188,822.57
	Equipment	$66,576.15
	Other Miscellaneous	$0.00
	Administration & Overheads	$23,930.01
	400A Meterbase Credit	$0.00
	Total Cost Section 2.1	$422,979.83
2.2	Non-Contestable Subdivision Secondary Costs	
	Material	$500,862.38
	Labour	$80,261.70
	Equipment	$27,790.81
	Other Miscellaneous	$0.00
	Administration & Overheads	$36,329.80
	Total Cost Section 2.2	$645,244.69
2.3	Non-Contestable Subdivision Primary Costs	
	Material	$49,951.70
	Labour	$62,815.03
	Equipment	$22,269.45
	Other Miscellaneous	$0.00
	Administration & Overheads	$8,057.37
	Forestry Cost (If Applicable)	$0.00
	Total Cost Section 2.3	$143,093.55
3.0	**Cost Of Non-Contestable Line Expansion (If Applicable)**	
		TOTAL
3.1	Non-Contestable Line Expansion Costs	
	Material	$4,086.50
	Labour	$7,287.55
	Equipment	$2,868.55
	Other Miscellaneous	$0.00

	Administration & Overheads	$1,274.86
3.2	Cost To Connect To An Existing Powerline	$0.00
3.3	Forestry Cost (If Applicable)	$0.00
3.4	Miscellaneous Approvals Such As Water Crossing, Railway Crossing, Pipeline Crossing, etc.	$0.00
3.5	Easements, Permits and Approvals	$0.00
	Total Cost Section 3.1 to 3.5	$15,517.46
	Total Cost (Sections 1.0 through 3.0)	$1,243,554.07
	Less: Credit for Replacement of End of Life or Advanced Age Assets	($1,039.56)
	Less: DCF Revenue Support Credit or Cost	($2,264,894.42)
	Total Remaining Balance	($1,022,379.91)
Part 2 Non-Contestable Work Above Standard Connection		
		TOTAL
4.0	**Items Excluded From Receiving Support**	
4.1	Pad-mount Transformer Differential/Incremental Cost	$0.00
4.2	Work Site Inspection (If Applicable)	$92,566.02
4.3	Returned Material Charge	$0.00
4.4	Additional Layout Fees	$0.00
	Total Cost Section 4.1 to 4.4	$92,566.02
Part 3 Totals		
	Sub-Total (without HST) for Option B	($929,813.89)
	HST for Option B	($120,875.81)
	Grand Total (with HST) for Option B	($1,050,689.70)
	Less: Design Fees prepaid (with HST)	$0.00
	Less: Other Deposit Paid (with HST)	$0.00
	GST/HST# 870865821RT0001	
Part 4 Totals Unused Support Available For Contestable work		
		TOTAL
B-1	The Developer shall pay 100% of the Remaining Cost to be incurred by Hydro One Networks at the time of signing of this Agreement, in the amount of =	$0.00
B-2	Maximum Refund Available to Developer After Hydro One Networks Support Applied	($1,050,689.70)
I elect to choose Option B ☐	_____ **Signature**	

*Please see Subsection 9.5 of the Standard Terms and Conditions for information on the refund process

Schedule "G" - Form of Transfer of Ownership of Primary Distribution System, Secondary Distribution System, Line Expansion and Residential Service Cables

TRANSFER OF OWNERSHIP OF PRIMARY DISTRIBUTION SYSTEM, SECONDARY DISTRIBUTION SYSTEM, LINE EXPANSION AND RESIDENTIAL SERVICE CABLE
(CONSTRUCTED BY HYDRO ONE NETWORKS INC. OR DEVELOPER)

Hydro One Networks Inc. Expansion/Connection #: 000303602572-2025-04-02

PRIMONT WASAGA 2 INC

In accordance with the Multi-Service Connection Cost Agreement made between the undersigned Developer (the "**Developer**") and Hydro One Networks Inc. dated the 2nd day of Apr 2025 (the "**Agreement**"), the Developer hereby irrevocably conveys all rights, title and interest, free and clear of all present and future mortgages, liens, demands, charges, pledges, adverse claims, rights, title, retention agreements, security interests, or other encumbrances of any nature and kind whatsoever in the:

(a) Primary Distribution System and any Line Expansion as described in Schedule "D" of the Agreement and as referred to in the said Agreement; and
(b) that part of the Secondary Distribution System as described in Schedule "D" of the Agreement and as referred to in the said Agreement that has been installed as of the Energization Date of the Primary Distribution System; and
(c) any Residential Service cables connected to the Secondary Distribution System described in (b) above on the Energization Date of the Primary Distribution System,

to Hydro One Networks Inc. with effect as of the Energization Date of the Primary Distribution System;

AND:

(1) any addition to the Secondary Distribution System as described in Schedule "E" of the Agreement and as referred to in the said Agreement that is installed following the Energization Date of the Primary Distribution System; and
(2) any Residential Service cables connected to the Secondary Distribution System ,

to Hydro One Networks Inc. with effect as of the Energization Date of the addition to the Secondary Distribution System described in (1) above.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

HYDRO ONE NETWORKS INC.

I have the authority to bind the Corporation

PRIMONT WASAGA 2 INC

_____
Name:
Title:
Date:
I have the authority to bind the corporation.

_____(signature)
Witness
Name [please print]:
Date: