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BY EMAIL AND RESS

November 7, 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 Interrogatory Responses

In accordance with Procedural Order No.2, issued October 24, 2025, please find attached an electronic copy of responses provided by Hydro One Networks Inc. (Hydro One) to interrogatory questions posed by OEB Staff and Wasaga Distribution Inc.(WDI).

Interrogatory responses have been assigned Exhibit I and have been organized in the following order:

Exhibit	Tab	Intervenor
I	1	OEB Staff
I	2	Wasaga Distribution Inc.

Hydro One notes that components of Hydro One's response to WDI Interrogatory 5 have been redacted. This includes Attachments 1 and 2 of the response which are load forecasts provided by WDI. In accordance with the Board's Practice Direction on Confidential Filings, the documentation has been presumptively treated as confidential. Similarly, parts of page 1 of the response to WDI Interrogatory 5 have also been redacted when referring to data points within the WDI load forecasts that have been presumptively treated as confidential.

An electronic copy of these Interrogatory Responses has been submitted using the Board's Regulatory Electronic Submission System.

Sincerely,

Pasquale Catalano

cc: Wasaga Distribution Inc
EB-2025-0254 Intervenors of Record

OEB STAFF INTERROGATORY - 01

Reference:

WDI **Service Area Amendment Application,** August 19, 2025

Preamble:

WDI states (Reference 2, Section 1, Page 3 of 27) that

> at that time, the parcel was an active farm supplied by WDI through a load transfer. Since then, the farm operation has ceased, the property has changed ownership, and HONI has removed the permanent electrical service. The lands are now vacant except for a temporary connection serving a sales office.

Interrogatory:

1. Please confirm if Hydro One "removed the permanent electrical service" on the subject area.

2. Please provide details about the type of electrical service that was removed, including when it was removed and the reason for its removal.

Response:

1. Confirmed.

2. Hydro One responded to the request of the customer to remove the single customer connection in 2024.

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OEB STAFF INTERROGATORY - 02

Reference:

Hydro One Supplementary Evidence, October 17, 2025

Preamble:

Hydro One states (Reference 1, Section 2.1.1, Page 6 of 18) that

> 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.

Interrogatory:

1. Please explain this statement and the impact that may occur if WDI provided service to the subject area.

2. Have there been any discussions between Hydro One and WDI regarding long-term planning of upstream distribution assets and ways to mitigate any pressures on the network system? If yes, please explain when the discussions have occurred and outcomes of the discussions.

3. Please provide references to any regional planning reports or documents that describe these discussions, such as an Integrated Regional Resource Plan.

4. Please describe Hydro One's long-term planning for the subject area that accounts for system safety and reliability to meet the load requirements to service the subject area.

5. Please describe Hydro One's plan to minimize system failure on the subject area.

Response:

1. The statement made is predicated on OEB's Decision with Reasons (RP-2003-0044) that underpins the principles utilized in assessing service area amendment applications. The findings in that precedent OEB decision are detailed in section 3.0 of Hydro One's Intervenor Evidence and repeated here for ease of reference:

> 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 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.

Hydro One recognizes and accepts that embedded distribution systems exist – as did the OEB in its finding. However, the proposed SAA does not rationalize those existing distribution system inefficiencies contrary to the encouragement expressed by the OEB in the aforementioned findings. With respect to the impact of the continued proliferation of embedded supply points, these findings have also been made by the OEB in the same decision between paragraphs 178 and 187. An excerpt of that section of the decision has been provided as Attachment 1 for ease of reference.

2. Regional planning ("RP") for the Subject Area is coordinated through the South Georgian Bay–Muskoka planning region, where Hydro One Transmission is the Lead Transmitter. The most recent RP was initiated on February 4, 2025. The first step of RP being the Needs Assessment ("NA") process consistent with the OEB's most recent review of the RP process. To address the NA process, Hydro One Distribution engaged with all embedded local distribution companies, including WDI, requesting their load forecasts such that they could be added to Hydro One Distribution's load growth forecast which was used to drive the Needs Assessment identification, as per NA report.

   Hydro One's system planning and large customer teams meet with WDI when required to discuss their future capacity needs.

3. The regional planning documents for the area are available at the following hyperlinks:
- South Georgian Bay–Muskoka Needs Assessment – August 27, 2025[1]
- South Georgian Bay–Muskoka Integrated Regional Resource Plan (IRRP), May 2022[2]

4. TWG participants, including representatives from LDCs, IESO, and Hydro One provided information and input for the South Georgian Bay - Muskoka NA. The inputs and data that inform the long-term planning for the area are detailed in Section 5 of the NA Report. For ease of reference, that information has been extracted and inserted below.

> With respect to the load forecast information, the OEB Regional Planning Process Advisory Group (RPPAG) recently published a document called "Load Forecast Guideline for Ontario" in Oct. 2022. The objective of this document is to provide guidance to the TWG in the development of the load forecasts used in the various phases of the regional planning process with a focus on the NA and the IRRP. One of the inputs into the LDC's load forecast that is called for in this guideline is information from Municipal Energy Plans (MEP) and/or Community Energy Plans (CEP). The list of all the Municipalities falling under the geographical boundaries of the region are given in Appendix E. The information provided includes the following:
>
> - South Georgian Bay - Muskoka 10-year summer and winter Load Forecasts for all supply stations inclusive of the inputs provided by the municipalities (e.g. through their MEPs & CEPs).
> - Known capacity and reliability needs, operating issues, and/or major assets requiring replacement/ refurbishment; and
> - Planned/foreseen transmission and distribution investments that are relevant to Regional Planning for the South Georgian Bay - Muskoka.
> - Captured uncertainty in the load forecast as well as variability of electric demand drivers to identify any emerging needs and/or advancement or deferment of recommended investments.

[1] https://www.hydroone.com/abouthydroone/CorporateInformation/regionalplans/southgeorgianbaymuskoka/Documents/South-Georgian-Bay-Muskoka-Needs-Assessment-(NA)-2025-08-27.pdf

[2] https://www.hydroone.com/abouthydroone/CorporateInformation/regionalplans/southgeorgianbaymuskoka/Documents/PSM-20220524-IRRP.pdf

5. Hydro One proactively minimizes system failure risks in the subject area through regular maintenance and sustainment programs. Additionally, remote load break switches with SCADA capability are installed, enabling load transfers from Stayner TS M5 to Midhurst TS M10 and Stayner TS M2. A tie point between Stayner TS M4 and Stayner TS M5 further enhances operational flexibility.

distribution system. As municipal boundaries were adjusted from time to time to include built up areas, the service area of the municipal electric utility was adjusted to match. By 1998, many municipalities were amalgamated and reorganized and electric utility service boundaries no longer necessarily followed municipal boundaries. Some of these distribution systems were acquired by Hydro One, and some were acquired by or amalgamated into other distribution systems. In some cases, embedded systems disappeared into a larger system which swallowed up their service areas. In others the system now consists of several discontiguous areas under common ownership and management. Still others continue to consist of one contiguous system which may or may not be embedded within another. These developments occurred for reasons unrelated to the optimization of the distribution system as a whole. This decision is not intended to address the appropriateness of any of these situations, which are likely to continue to evolve.

176 However, the Board recognizes that these configurations can result in unnecessary duplication of distribution assets, such as substations. The Board encourages parties in these situations to consider a more optimal utilization of their assets through a pooling of interests, an asset sale from one party to the other, merger and acquisition, or some other form of business rationalization. The Board would give serious consideration to service area amendments resulting from this type of rationalization.

177 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.

178 The Board is not persuaded by the argument by the proponents of embedding that the market should be allowed to determine whether the concept succeeds or fails, based on the overriding principle of customer choice. In the view of the Board, as discussed elsewhere in this decision, customer choice is but one of a number of factors which should be considered in determining whether new embedded distribution is in the public interest.

179 With respect to the protection of the interests of consumers with respect to prices, the Board recognizes that the individual customer, in many cases a developer, would potentially derive some benefit by connecting to an alternate distributor. The issue remains as to how the interests of the individual customer are balanced with the interests of the remaining customers of the incumbent distributor. Wheeling rates in Ontario may not be fully compensatory, leaving opportunities for regulatory arbitrage by licence embedded distributors. In addition, if a new embedded distributor targets service to lower cost customers (usually small dense areas), the remaining customers served by the host distributor may well face higher rates than if the embedded distributor did not exist. Loss of such loads will necessarily have implications for the customers of the host distributor. Is it equitable and fair to all customers that an embedded distributor can take advantage of this regulatory arbitrage to create a two-tiered rate structure, one for customers of the embedded distributor, and one for the remaining customers of the incumbent distributor? In the view of the Board, this would not be in the public interest.

180 Moreover, the Board is not convinced by evidence that suggests that the rate arbitrage problem can be alleviated through an appropriate wheeling or LV rate which reflects the true wheeling cost to the host distributor. Given the complexity of the network system in Ontario, the wheeling rate might have to be dependent on upstream transmission and distribution lines, upstream distribution stations, and different classifications of distribution lines. Hence, each embedded area may require its own LV or wheeling rate, and a large urban area, such as Toronto or the GTA, may require zonal or specific customer-type wheeling rates. This would entail considerable regulatory processes above and beyond what is required to establish existing distribution rates.

181 The Board was also concerned by the imprecision in the evidence presented by the proponents of the embedded model regarding which type of customers would be potential candidates for embedding: new or existing customers. The Board found persuasive the arguments that the term "underserved customer" lacked precision and could potentially refer to both new and existing customers. The Board was not persuaded by the argument that an existing customer load, for example a bulk load apartment building, would somehow become redefined as a new customer when the metering arrangements are changed and each individual in the apartment building is separately metered. As Mr. Todd agreed, the issue is about switching the building. The load doesn't change, and the same individuals living in the apartment are still there. Given the criticality of the definition of "underserved customer" for Mr. Todd's analysis, the Board is concerned about its elusive nature. It is not even remotely clear as to what criteria would be required to establish whether a customer was existing, or underserved and therefore eligible to be switched, according to his construction.

182 The proponents of discontiguous embedded distribution argue that the benefit to customers from individual interval metering is an important rationale for creating an embedded distribution system. They have suggested that customers who do not have such meters are, by definition "underserved". In the Board's view, the desire to compete for the provision of interval metering is not a strong enough justification to permit service area amendments which would facilitate the creation of new embedded distribution systems. As most of the experts noted in the oral hearings, the distribution sector is a natural monopoly. Rates are set by regulation and distributors are licensed by the Board, which acts as regulator. It may be that the advent of individual meters will become a key element in the province's effort to conserve energy, and to avoid peak demand shortages. This development is dependent on a number of factors, some of which fall outside the control or scope of the distribution sector of the industry. The proliferation of individual interval meters is not in any event dependent upon, or even best served by, the creation of new embedded distribution operators. The sale and installation of such meters can occur completely independent of the advent of new embedded distributors. Further, it is to be noted that sections 5.1.3 and 5.1.5 of the Distribution System Code currently require that all licensed distributors install interval meters for new customers with demand in excess of 500 kW, and provide an interval meter for any customer that requests one.

183 The Board notes that section 4.0.1 of Ontario Regulation 161/99, as amended, provides an exemption from licensing for owners and operators of distribution systems in a broad range of settings including condominium buildings, residential complexes, industrial, commercial, or office buildings, and shopping malls. The exemption extends to distribution systems located entirely on land owned or leased by the distributor. For the exemption to apply, the distributor must simply recover its reasonable costs associated with the distribution, and not impose upon consumers a price which includes a profit. Services provided by the distributor can include the installation of meters or any other physical enhancement.

184 The Board accepts that the complexity produced by embedded distributors, particularly if the concept proliferates, could well compromise system safety and reliability. Maintenance and service restoration after outages will be more difficult. The costs of these difficulties will be passed on to the ratepayer, including those ratepayers who have not received any benefit from embedded distribution.

185 In summary, the Board is of the view that at this stage of the development of the electricity market in Ontario the public interest would not be served by the creation of new embedded distribution systems and points of supply. The electricity market in Ontario has proven to be dynamic, and it will continue to evolve. As new organizational structures and business models emerge the Board will consider their appropriateness, guided by the principles enunciated in this decision.

186 The Board finds that applications for service area amendments to create new embedded distribution systems or points of supply, particularly within urban, suburban and other non-rural areas of high customer density in Ontario, are generally not in the public interest.

187 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 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.

3.3 Contiguous Border Amendments

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Position of the Parties

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190 All parties to the proceeding agreed that some service area amendments at the borders between contiguous distribution companies can be economically efficient and in the public interest. This can occur, for example, where an applicant utility may be able to serve a prospective customer or group of customers at a lower cost or more efficiently than the incumbent utility. Such situations could also occur when two neighbouring utilities agree that a realignment of the service area boundary could eliminate existing load transfers or be economically efficient, and that the public interest would be served if a service area amendment were initiated. Some parties have argued that through this process, existing customers should not be forced to change distributors. It was also argued that these amendments should not be so frequent as to potentially undermine the stability of the industry, that the amendments should be executed in the context of an appropriate vision of how the distribution industry should evolve with time and that the resulting amended boundaries should be smooth.

191 Hydro One argued that as contrasted with amendments for rationalization for a particular customer, distributors should not be permitted to seek amendments to extend their service territories to municipal boundaries, or to cover entire subdivisions or significant parcels of land of an incumbent's territory in order to reflect the planning objectives of a particular municipality.

OEB STAFF INTERROGATORY - 03

Reference:

1. Hydro One Supplementary Evidence, October 17, 2025
2. Ontario Energy Board – Distribution System Code, Definitions, September 16, 2025

Preamble:

Hydro One states (Reference 1, Section 2.1.1, Page 6 of 18) that 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.

The DSC definition of a *physical distributor* (ref 3) states that a: "physical distributor", with respect to a load transfer, means the distributor that provides physical delivery of electricity to a load transfer customer, but is not responsible for connecting and billing the load transfer customer directly.

The DSC definition of a geographic distributor (ref 3) states that a: "geographic distributor," with respect to a load transfer, means the distributor that is licensed to service a load transfer customer and is responsible for connecting and billing the load transfer customer.

Interrogatory:

1. As the geographic and physical distributor, if Hydro One is approved to provide service to the subject land, does Hydro One anticipate any new retail points of supply will be created? If yes, please describe what the new retail points of supply will be and the impact on ratepayers.

2. Please explain the statement "…unnecessary risk and pressure will not materialize should Hydro One…continue to serve the subject area."

Response:

1. Given that Hydro One is the host-distributor for the general area, if Hydro One serves the Subject Area no new retail points of supply will be created.

2. Please refer to Exhibit I, Tab 1, Schedule 2, Part 1.

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OEB STAFF INTERROGATORY - 04

Reference:

1. Hydro One Supplementary Evidence, October 17, 2025
2. WDI Service Area Amendment Application, August 19, 2025

Preamble:

In (Reference 2, Section 1, Page 4 of 27), WDI states

> HONI has no proximate infrastructure to the Subject Lands and would need to upgrade approximately 4.95 km of existing line and construct an additional 350 m of new line to make the connection. This approach would duplicate facilities already in place, introduce unnecessary cost, and create avoidable community disruption. It would also require WDI to abandon and lose its existing right-of-way along the site's access corridor - incurring real costs and permanently reducing WDI's flexibility for future system planning in the area.

Hydro One (Reference 1, Section 2.1.2, Page 7 of 18) states that

> in 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.

Interrogatory:

1. Please identify the actual costs and impacts on ratepayers if Hydro One upgrades approximately 250 meters of existing line and expands 350 meters on the subject area.

2. WDI states (ref 2) Hydro One's upgrades would result in duplicate facilities serving the subject area. Please address this statement and explain whether Hydro One's expansion and upgrades on the subject area would result in duplicate facilities.

3. Please identify if (and if so, for whom) the duplicate facilities will have potential cost implications and community disruptions.

Response:

1. The line expansion and upgrade costs are estimated to be $82,625.38 (excluding HST). These costs are within the total cost of the connection identified in Table 1 of Hydro One's Intervenor Evidence ("Table 1"). The balance of the costs associated with the costs defined in Table 1 are associated with works within the subdivision.

2. Hydro One's 350 meter expansion would be a 3-phase line on the north side of Morgan Road and overlaps WDI's single-phase line on the south side. The Hydro One 3-phase line would not duplicate WDI's single-phase line. Hydro One anticipates that WDI's duplication statement at Reference 1, is predicated upon WDI's misrepresentation of the Hydro One facilities required to complete the connection of the Subject Area.

3. Please refer to part 2, above.

OEB STAFF INTERROGATORY - 05

Reference:

Hydro One Supplementary Evidence, October 17, 2025

Preamble:

Hydro One states (Reference 1, Section 3.0, Page 15 of 18)

> 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.

Interrogatory:

Please confirm if Hydro One has communicated the beneficiary pays principle to both developers: Primont (Wasaga 2) Inc. and Sterling Group of Companies and has informed the developers of the total amount due by the developer, should Hydro One serve the subject area.

Response:

Yes, Hydro One's Offer to Connect provides detailed information, a copy of which has been provided as Attachment 5 of Hydro One's Intervenor Evidence to serve the Subject Area.

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OEB STAFF INTERROGATORY - 06

Reference:
Hydro One Supplementary Evidence, October 17, 2025

Preamble:
Hydro One states (Reference 1, Section 3.0, Page 15 of 18)

> 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.

Interrogatory:
Please explain this statement and its impact on Hydro One ratepayers in the subject area.

Response:
Hydro One notes that the statement made in Hydro One's Intervenor Evidence is underpinned by WDI's own admissions in the Joint LTLT Elimination Application that it was inefficient for WDI to serve the Subject Area. The Joint LTLT Elimination Application was underpinned by the OEB's guiding principles in the LTLT Elimination DSC Amendments that expansions by the geographic distributor (WDI at the time of the application) were inefficient because the Subject Area was already being serviced by the physical distributor (Hydro One, then and now).

Please refer to Exhibit I, Tab 1, Schedule 2, subpart 1 for the OEB's findings with respect to how service area amendments that support existing retail supply points are inefficient. Additionally, as provided at p. 3 of Hydro One's Intervenor evidence, it is important to consider that the impact of the proposed service area amendment should not be solely focused on the Subject Area or Hydro One's ratepayers alone. To maintain consistency with the statutory objectives of the OEB Act, the Combined Distribution SAA Proceeding Decision outlines that the OEB:

> [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.

All of Hydro One's distribution ratepayers, admittedly including WDI as an embedded distributor, have proportionately funded the assets that have serviced the Subject Area throughout the duration of time that the Subject Area was a LTLT customer, and subsequently thereafter to present time. The benefits that now flow from the development of the Subject Area should similarly be shared across all Hydro One distribution ratepayers. This is consistent with OEB ratemaking policy that benefits follow costs and the OEB's determinations in the Combined Distribution SAA Proceeding Decision that underscore that all customers of the system are dependent on each other and the costs not paid by one customer, must be made up for by another.

OEB STAFF INTERROGATORY - 07

Reference:
Hydro One Supplementary Evidence, October 17, 2025

Preamble:
Hydro One states (Reference 1, Section 3.0, Page 15 of 18) the

> WDI proposed SAA does not optimize the use of existing system configurations and unnecessarily duplicates existing distribution asset.

Interrogatory:
Please explain this statement and the impact of duplication on existing distribution assets in the subject area.

Response:
As described further at the provided reference, Hydro One, the incumbent distributor, 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 confirmed capacity is available to accommodate the load from Sunnidale Corners DS F2 that also has an existing tie point with capacity available from Duntroon DS F2 to accommodate the development. Optimization of these Hydro One asset's is hindered by WDI's recent expansions.

As validated through the Joint LTLT Elimination Application, WDI did not have an ability to supply the Subject Area. By WDI's own admission in its prefiled evidence, WDI has made recent infrastructure upgrades that have been purpose-built to serve residential growth at the Subject Area and its surroundings. Given that Hydro One has sufficient infrastructure readily available to serve the Subject Area, these recent WDI expansions have duplicated the infrastructure necessary to service the needs of the area.

To complete a fair apples-to-apples comparison of the connection costs, WDI's recent purpose-built expansion should include all upstream investment necessary to expand the WDI distribution supply to the Subject Area. This would be consistent with the Combined Distribution SAA Proceeding which outlined that:

> The assessment involves a consideration of the distribution assets available for the connection, their proximity to the proposed point of connection, and the other costs necessary to effect the connection. Where new assets must be developed to effect the connection, a comparison of the costs associated with such development will inform the assessment of economic efficiency. 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. – para. 235 -236

OEB STAFF INTERROGATORY - 08

Reference:

Hydro One Supplementary Evidence, October 17, 2025

Preamble:

Hydro One states (Reference 1, Section 3.0, Page 15 of 18) that it "has the capability to switch load to a different circuit, in the event of an issue with the 8kV system."

Interrogatory:

1. Please identify the feeder and the location of the feeder, that Hydro One can use to switch the load to a different circuit, in the event of an issue with the 8kV system.

2. Does this feeder provide service to other customers in Hydro One's distribution service territory?

3. Does this feeder have the capacity to provide service to both the subject area and the existing customers without any system reliability issues?

Response:

1. In case of an issue with the 8.32kV Sunnidale Corners DS F2, Hydro One can use the 8.32kV Duntroon DS F2 feeder to switch the load. Duntroon DS F2 runs along Nottawasaga 27/28 Sideroad west of Hwy 26

2. Yes, Duntroon DS F2 provides service to other Hydro One customers.

3. Yes, Duntroon DS F2 feeder has the capacity to service both the Subject Area and the existing customers without any system reliability issues.

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OEB STAFF INTERROGATORY - 09

Reference:

Hydro One Supplementary Evidence, October 17, 2025

Preamble:

Hydro One confirms (Reference 1, Section 3.0, Page 15 of 18) that

> 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.

Interrogatory:

1. If Hydro One were to provide service to the subject area, would the existing feeders have sufficient capacity to serve the subject area?

2. Would Hydro One be required to upgrade the feeders to accommodate the load growth after the residential development is completed? If yes, please describe the cost implications for upgrading the feeders and its impact on Hydro One's ratepayers.

3. Would the existing feeders be used to serve other additional customers in Hydro One's existing distribution service territory? Please explain how much capacity would be available on the Sunnidale Corners DS F2 and the Duntroon DS F2 to serve additional customers.

Response:

1. Yes, Hydro One can serve the subject area with Sunnidale Corners DS F2 which has sufficient capacity.

2. No upgrades to the existing feeder would be required to accommodate the load growth after the residential development is completed.

3. Yes, the existing feeders would continue to serve other additional customers in Hydro One's existing distribution service territory.

   After the connection of the development located in the subject area, Sunnidale Corners DS F2 would have 1MVA of capacity available and Duntroon DS F2 would have 3MVA of capacity available.

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WASAGA DISTRIBUTION INC. - 01

Reference:

HONI Evidence, Page 3, Section 2.1, and RP-2003-0044 Decision with Reasons, March 1, 2004, Paragraph 63

Preamble:

HONI includes that the Board states it must 'consider the protection of the interests of other consumers in the proposed amendment area… over a time period that includes more than the short-term implications of any given action.'

Interrogatory:

Please provide HONI's stance on whether or not this includes future homeowners who will eventually reside in the area and consume electricity? Explain the reasoning behind the answer.

Response:

The OEB's consideration in this proceeding must protect the interest of all ratepayers as articulated in the Combined Distribution SAA Proceeding Decision extract referenced. This includes existing ratepayers of both utilities, future ratepayers of both utilities, and consideration for ratepayers throughout the province as a whole.

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WASAGA DISTRIBUTION INC. - 02

Reference:
HONI Evidence, Page 3, Section 2.1

Interrogatory:
Provide data or analysis comparing the customer density of the proposed development to adjacent areas currently served by HONI, and would HONI agree that consistency in customer density supports economies of scale and contiguity, as defined by the Board's principles of economic efficiency, and explain your response?

Response:
WDI is completely embedded within Hydro One and is a valued customer energized by Hydro One's assets. All WDI ratepayers fund this Hydro One service through the charge levied on their rate schedule titled Low Voltage Service Rate. Consequently, all WDI ratepayers are indirectly served by their host distributor (Hydro One), thus comparatively Hydro One has the same density and contiguity as WDI adjacent the Subject Area. Hydro One may in fact have marginally better density and contiguity than WDI since Hydro One also has multiple residential R2 customers that are directly billed by Hydro One to the west and south of the Subject Area that are not WDI customers.

OEB findings in the OEB's Combined Distribution SAA Proceeding directly address this stating,

> The establishment of new embedded areas, particularly in urban and high customer density areas, would result in diseconomies of contiguity for Ontario's electricity distribution system and loss of economies of scale and density for incumbent distributors. The proliferation of embedded areas would result in a more complex, and checkerboard spatial pattern for Ontario's distribution system.[1]

[1] RP-2003-0044, Decision with Reasons, March 1, 2004, para. 174

The OEB's findings demonstrate new embedded areas result in diseconomies of contiguity for Ontario's electricity distribution system, particularly in urban customer density areas as planned for the Subject Area. As described in Hydro One's Intervenor Evidence, for every single WDI customer there are more than 1,000 Hydro One customers. Hydro One has 400 times more primary circuit kilometers than WDI. WDI serves 61 square kilometers while Hydro One serves over 960,000 square kilometers of the province. With respect to the OEB's objective of promoting economic efficiency in the distribution of electricity, economies of scale are important as we progress towards unprecedented growth in the Ontario electricity industry, and Hydro One has substantially more scale than WDI.

WASAGA DISTRIBUTION INC. - 03

Reference:
HONI Evidence, Page 6, Section 2.1.1

Interrogatory:
Describe HONI's methodology for assessing "risk" when adding load to an embedded distributor's area. What specific metrics or thresholds are used?

Response:
Please refer to Exhibit I, Tab 1, Schedule 2, Part 1. The risks in this specific proceeding predominantly relates to the risk associated with inefficient planning and capital delivery that was outlined in the OEB's findings in the Combined Distribution SAA Proceeding. WDI has explicitly detailed that upstream investments were designed to accommodate growth within the Town of Wasaga Beach and that this infrastructure was specifically planned and constructed to support residential development and provide redundancy in this area and is currently serving surrounding subdivisions.

WDI, however, has not quantified the value of the upstream investments undertaken by WDI that have been purpose-built to serve the Subject Area, thus the fully allocated connection cost of the WDI connection to the Subject Area is unclear. Hydro One can service the Subject Area and absent this WDI information it is unclear what risk has been unnecessarily burdened on Ontario ratepayers based on WDI's expansion pursuit beyond their OEB defined service territory.

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WASAGA DISTRIBUTION INC. - 04

Reference:

HONI Evidence, Page 6, Section 2.1.1

Interrogatory:

Given that HONI would be drawing load from the same M class feeder that WDI is connected to, can you explain—specifically and technically—how those risks would not materialize under HONI's service, but would under WDI's?

Response:

Please refer to Exhibit I, Tab 1, Schedule 2, Part 1.

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WASAGA DISTRIBUTION INC. - 05

Reference:
HONI Evidence, Page. 6, Section 2.1.1

Interrogatory:
Provide the most recent Regional Infrastructure Plan assumptions for Wasaga Beach, including projected load growth, customer additions, and whether these projections incorporate embedded distributor expansion.

Response:
Please refer to Exhibit I, Tab 1, Schedule 2.

On March 14, 2025 WDI provided the following load forecast of [redacted] MW up to 2034 to inform the Needs Assessment stage of the Regional Infrastructure Plan. This is provided as Attachment 1 of this schedule in excel format as received. The Subject Area was included within Hydro One's forecast for the Regional Infrastructure Plan.

Approximately three months later, on June 20, 2025, WDI sent Hydro One a revised load forecast increasing WDI's projections, including the 2034 net load forecast to [redacted] MW from [redacted] MW. This forecast is provided as Attachment 2 of the response in excel format. Notably, neither of these WDI forecasts, however, align with the most recent forecast data submitted in WDI's supplementary evidence of [redacted] MW by 2033.[1] The WDI Supplementary Evidence forecast of [redacted] MW is almost [redacted]% greater than the forecast provided by WDI on June 20, 2025. Additionally, notwithstanding any of these forecasts, Hydro One has not received any requests for additional contracted capacity from WDI.

Given any potential sensitivity regarding the disclosure of this information, and alignment with presumptively assumed material that should be filed in confidence in accordance with the OEB's Practice Direction on Confidential Filings, the WDI forecasts have been filed in confidence.

[1] WDI Supplementary Evidence – Filed October 27, 2025 - p. 8 of 11

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LOAD FORECAST TEMPLATE

This attachment has been filed separately in MS Excel format. Confidential treatment of this attachment has been requested separately.

LOAD FORECAST TEMPLATE

This attachment has been filed separately in MS Excel format. Confidential treatment of this attachment has been requested separately.

WASAGA DISTRIBUTION INC. - 06

Reference:

HONI Evidence, Page 6, Section 2.1.1

Interrogatory:

Provide HONI's long-term distribution planning assumptions for the South Georgian Bay–Muskoka region, specifically regarding the expected role of embedded distributors in meeting future load growth.

Response:

Please refer to Exhibit I, Tab 1, Schedule 2, part 2 and 3.

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WASAGA DISTRIBUTION INC. - 07

Reference:

HONI Evidence, Page 6, Section 2.1.1

Interrogatory:

Provide HONI's average response time for outage restoration for Sunnidale DS related outages over the past three years, compared to its provincial average. Include the source of this data. Please isolate the March 2025 Ice Storm data.

Response:

Hydro One provides in the table below the average response time for outage restoration for Sunnidale DS compared to the provincial average, isolated for the March 2025 Ice Storm data.

Table 1 - Sunnidale DS Average Response Time

Year	Sunnidale DS CAIDI (Hours)	Provincial CAIDI (Hours)
2022	2.3	2.8
2023	2.6	2.7
2024	2.4	2.9

The source data for Table 1 is from Hydro One's Outage Management System and Asset Performance Reporting System.

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WASAGA DISTRIBUTION INC. - 08

Reference:

HONI Evidence, Page 6, Section 2.1.1

Interrogatory:

Confirm whether HONI has local crews stationed in Wasaga Beach or if service is dispatched from other locations. Identify the nearest depot and typical travel time to the Subject Area.

Response:

Hydro One has local crews stationed in Stayner, Ontario approximately 10 minutes away from the Subject Area.

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WASAGA DISTRIBUTION INC. - 09

Reference:
HONI Evidence, Pages 5-6, Section 2.1.1

Interrogatory:
Does HONI have mutual assistance agreements with embedded distributors? Describe HONI's process for requesting and coordinating mutual assistance with embedded distributors during local outages or major catastrophic failures.

Response:
Hydro One maintains formal mutual assistance agreements through its membership in the Ontario Mutual Assistance Group ("OnMAG") and the North Atlantic Mutual Assistance Group ("NAMAG"). These agreements provide a structured process and a single point of contact for Ontario utilities to request and offer mutual assistance resources when damaging events occur.

When mutual assistance is required, Hydro One initiates a request for activation under the applicable mutual assistance protocol. For OnMAG, the activation process is coordinated by Electricity Canada, which formally invokes the protocol and notifies participating Local Distribution Companies ("LDCs"). Each LDC then determines whether to offer resources or hold resources to maintain its own system reliability.

The NAMAG process operates in a substantially similar manner, enabling Hydro One to access a broader pool of resources across the North Atlantic region when necessary.

This approach ensures that mutual assistance is coordinated efficiently and equitably, balancing system reliability needs across all participating utilities for the public interest.

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WASAGA DISTRIBUTION INC. - 10

Reference:
HONI Evidence, Pages 5-6, Section 2.1.1

Interrogatory:
Confirm whether HONI considers these mutual assistance arrangements effective in mitigating system safety and reliability risks. Please provide examples or internal evaluations supporting this view.

Response:
Please refer to Exhibit I, Tab 2, Schedule 9.

Hydro One considers mutual assistance arrangements through the OnMAG and NAMAG to be effective in responding to damaging events, with LDCs having the choice to offer or hold their resources.

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WASAGA DISTRIBUTION INC. - 11

Reference:
HONI Evidence, Page 6, Section 2.1.1

Interrogatory:
Provide any studies or internal reports HONI relies on to substantiate claims of system safety and reliability risks for the proposed subdivision.

Response:
Please refer to Exhibit I, Tab 1, Schedule 2, Attachment 1.

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WASAGA DISTRIBUTION INC. - 12

Reference:
HONI Evidence, Page 6, Section 2.1.1

Interrogatory:
Has HONI quantified the potential risk associated with adding 2.1 MW of load to Wasaga Distribution Inc.'s embedded area? If quantified, provide the methodology, assumptions, and results. If not, explain why quantification was deemed unnecessary or impractical.

Response:
Please refer to Exhibit I, Tab 2, Schedule 3.

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WASAGA DISTRIBUTION INC. - 13

Reference:

HONI Evidence, Pages 4-5, Section 2.1.1

Interrogatory:

Identify all service area amendment applications HONI has opposed in the past five years where the applicant was an embedded distributor. For each, provide HONI's stated reasons for opposition.

Response:

Hydro One has not opposed any service area amendment applications initiated by a fully embedded distributor in the last five years.

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WASAGA DISTRIBUTION INC. - 14

Reference:
HONI Evidence, Page 12, Section 2.1.2

Interrogatory:
Provide HONI's methodology used to develop its cost estimates for the Subject Area including all assumptions, inputs, and calculation steps.

Response:
Hydro One's cost estimation methodology adheres to specific design practices and approved construction standards, ensuring compliance with Ontario Regulation 22/04: Electrical Distribution Safety, under the *Electricity Act, 1998, S.O. 1998, c.15, Sched. A*.

Hydro One's designs are based on customer-provided load requirements, as outlined below for the Subject Area:

- 654 proposed lots
- 307 Single Family Homes
- 347 individually metered towns
- 2000 sq ft
- 200A Service, Gas Heat, Gas Water Heater, and Electric Air Conditioning

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WASAGA DISTRIBUTION INC. - 15

Reference:
HONI Evidence, Page 12, Section 2.1.2.4

Interrogatory:
Provide HONI's copies of any internal guidelines, templates, or standard practices HONI applies when preparing cost estimates for subdivision projects.

Response:
Please refer to Exhibit I, Tab 2, Schedule 14.

With respect to Hydro One's internal guidelines or templates, those are proprietary in nature and irrelevant to the matter referenced or the considerations pertaining to this proceeding. The standard practice is outlined in Hydro One's Intervenor evidence in section 2.1.2.4.

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WASAGA DISTRIBUTION INC. - 16

Reference:

HONI Evidence, Page 10, Section 2.1.2.3

Interrogatory:

Provide examples of at least three other connection projects which are not contested where HONI applied this methodology, including supporting documentation that shows the detailed cost breakdown for each project.

Response:

The Reference is to the WDI Cost of Service Evidence and the WDI Distribution System Plan, not a methodology thus the question is unclear. If the aim of the question is to ascertain the assessment of fully loaded connection costs, the methodology is specific to the assessment of contested service area amendments. This is not only explicitly detailed in the OEB's Combined Distribution SAA Proceeding Decision (RP-2003-0044) at paragraph 236 of that Decision that is included in the Reference, but it is also explicitly detailed in section 7.5.3 and 7.5.5 that specifically address the additional information requirements for contested applications. An extract of each filing requirement is below for ease of reference:

> 7.5.3 Actual copies of, as well as a summary of, the offer(s) to connect documentation (including any associated financial evaluations carried out in accordance with Appendix B of the Distribution System Code). The financial evaluations should indicate costs associated with the connection including, but not limited to, on-site capital, capital required to extend the distribution system to the customer location, incremental up-stream capital investment required to serve the load, the present value of incremental OM&A costs and incremental taxes as well as the expected incremental revenue, the amount of revenue shortfall, and the capital contribution requested.
>
> 7.5.5 A detailed comparison of the new or upgraded electrical infrastructure necessary for each distributor to serve the area that is the subject of the SAA application, including any specific proposed connections.

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WASAGA DISTRIBUTION INC. - 17

Reference:
HONI Evidence, Page 6, Section 2.1.2

Interrogatory:
Provide HONI's definition of "incremental cost of connection" and explain how it distinguishes between incremental and non-incremental costs.

Response:
The lowest incremental cost of connection is a consideration in the OEB's Combined Distribution SAA Proceeding irrespective of whether the connection alternatives are between unrelated distributors or a host distributor and an embedded distributor. Hydro One understands the consideration to mean any incurred costs that, absent the connection, would not be burdened on distribution ratepayers.

The OEB's statutory objective is to protect the interest of ratepayers. It is precisely for this reason why the OEB establishes as a requirement for parties to provide an Offer to Connect, (including any associated financial evaluations carried out in accordance with Appendix B of the Distribution System Code) for the OEB's review. This affirms the cost responsibility associated with any proposed connection. The OEB also provides explicit guidance in section of 7.5.3 of the filing requirements that an applicant's financial evaluations should indicate costs associated with the connection including, but not limited to, on-site capital, capital required to extend the distribution system to the customer location, incremental up-stream capital investment required to serve the load, the present value of incremental OM&A costs and incremental taxes as well as the expected incremental revenue, the amount of revenue shortfall, and the capital contribution requested. This language flows directly from the OEB's Combined Distribution SAA Proceeding at paragraph 317.

None of this information is detailed in WDI's application as no Offer to Connect has been filed to date nor has any recently upgraded upstream investment been included in the comparison.

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WASAGA DISTRIBUTION INC. - 18

Reference:
HONI Evidence, Page 9, Section 2.1.2.2

Interrogatory:
Does HONI agree that the removal of the original connection invalidates the rationale used in the EB-2016-02073 application? Explain the reasoning behind the answer.

Response:
Hydro One would like to correct the record for the referenced docket. The OEB docket for the Joint LTLT Application is EB-2016-0207. The "3" in the docket at the reference is a footnote that was inadvertently converted from superscript font.

Hydro One does not agree with WDI's interrogatory presumption of any invalidation of the OEB's ruling.

The OEB's ruling, including the requirement of all Hydro One ratepayers to mitigate the bill of the transferred LTLT customer in perpetuity, was predicated on real customers as required by the OEB's SAA guiding principles. The OEB's Distribution System Code amendments that underpinned the Joint LTLT Application were intended to drive benefits for the Ontario distribution system by avoiding unnecessary system expansion costs by geographic distributors (akin to those subsequently completed by WDI to now be able to supply the Subject Area). The rationale supported eliminating cross-subsidization between utilities and reducing the administrative burden of negotiating and managing cross-utility agreements regarding LTLTs.[1]

The OEB has the authority to define the service area of a licenced distributor; and compliance with the distribution licence is a requirement of each licenced distributor. The Subject Area falls within the defined service area of Hydro One, pursuant to the effective distribution licence of each distributor. There is nothing on the record of this proceeding or any other matter initiated by the former LTLT customer that would invalidate Hydro One's licenced service territory. Further, please note, Hydro One did endeavor to understand why WDI believed that 400 45th street would revert to WDI's licensed service territory if it was ever developed"[2] to better inform long term planning between the distributors by specifically seeking confirmation of any agreements that expressed same. WDI could not supply any record to substantiate the understanding. The correspondence

[1] EB-2015-0006, Proposed Amendments to the Distribution System Code, February 20, 2015.

between WDI and Hydro One on this matter has been submitted for reference as Attachments 1 and 2 of this response.

WDI's application to amend the WDI licence to now re-transfer the Subject Area back to WDI must be anchored by real customers, with an economic case for the extension, not based on conjecture, and should be required to meet the minimum requirements outlined for a service area amendment. This is a basic principle of procedural fairness. This is the purpose of the current contested service area amendment, and the onus is on WDI to demonstrate that the amendment is in the public interest.

P.O Box 20, 950 River Road West, Wasaga Beach, Ontario L9Z 1A2
Tel: (705) 429-2517 Fax: (705) 429-2590 E-mail: hydro@wasagadist.ca

April 2, 2025

Erfan Hajian
Account Executive
Hydro One Networks Inc.
483 Bay Street,
Toronto, ON, M5G 2P5

Subject: Request for Consent – Service Area Amendment for 400 45th Street South, Wasaga Beach

To Whom it May Concern,

I hope this letter finds you well. Wasaga Distribution Inc. ("Wasaga Distribution") will be submitting an application to the Ontario Energy Board (OEB) to amend our service area to include the development located at 400 45th Street South, Wasaga Beach. We are formally requesting Hydro One's consent to this amendment as part of the OEB's regulatory process.

As you are aware, Wasaga Distribution completed a service territory amendment in 2017 as part of the Long-Term Load Transfer (LTLT) elimination process, which was a regulatory requirement "under the principles to minimize rate impacts for load transfer customers and prevent unnecessary costs associated with uneconomic distribution system expansions solely to connect these customers". It was clearly understood at that time that this parcel of land would revert to Wasaga Distribution's service area upon development. With development now planned, we need to ensure that the service area alignment reflects the original agreement and that the same principles guiding the 2017 process continue to apply in this situation.

Wasaga Distribution's position is firm in that:

- **Customer Rates & Cost Savings:** Wasaga Distribution's distribution rates are significantly lower than those of Hydro One. Customers within this development should not be subjected to unnecessarily high rates when a more economical option exists.
- **Reliability & Service Standards:** Our infrastructure is already in place, capable of serving this area, which has demonstrated superior reliability, relative to the surrounding area. During this past weekend's ice storm impacting central Ontario, Wasaga Distribution was able to restore power within 12 hours to all of its customers, whereas directly adjacent Hydro One-serviced areas remained without power for more than four days.

- **Regulatory Alignment & Historical Agreements:** This amendment will align with the 2017 regulatory intent and ensures that Wasaga Distribution's service area is restored in accordance with previously recognized boundaries.
- **Customer Preference:** The developer of this site has provided formal documentation expressing a clear preference for Wasaga Distribution as the electricity provider.

We expect Hydro One to acknowledge the regulatory and operational rationale behind this amendment and provide its consent in a timely manner. If further discussion is required, we are open to arranging a meeting at the earliest convenience. However, we firmly believe that this amendment is in the best interest of customers, aligns with regulatory precedent, and should proceed without unnecessary delay or any further unnecessary expenditures.

We appreciate Hydro One’s cooperation in this matter and look forward to your prompt response.

Sincerely,
Brandon Weiss
President & CEO
Wasaga Distribution Inc.

Brandon Weiss,
President & Chief Executive Officer, Wasaga Distribution Inc.

cc: Nanette Dupuis, Manager of Engineering

From:
To:
Subject:

From: Brandon Weiss <b.weiss@wasagadist.ca>
Sent: Thursday, April 24, 2025 3:35 PM
To: HAJIAN Erfan <Erfan.Hajian@HydroOne.com>
Cc: Nanette Dupuis <n.dupuis@wasagadist.ca>; r.rogers <r.rogers@wasagadist.ca>; HUSSAINI (Abdul)Syed <Abdul.Hussaini@HydroOne.com>; ZHU Lei <Lei.Zhu@HydroOne.com>; CHOUDHRY Musaab <Musaab.Choudhry@HydroOne.com>; TEHRANI Bahareh <Bahareh.Tehrani@HydroOne.com>
Subject: RE: Request for Consent – Service Area Amendment

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

Hi Erfan,

Regarding the request for supporting documents. I haven't been able to locate any specific documents available that directly address this. To my knowledge, the information was communicated by my predecessor Paul Trace and discussed at the board level, but there isn't documentation on hand that I have been able to locate, at the moment.

I understand the need for clarity, and I'm happy to help in any way I can as we move forward with the review. If there's anything else you need from me, please let me know.

Appreciate your understanding as we work through this! Cheers. Brandon

---

From: HAJIAN Erfan <Erfan.Hajian@HydroOne.com>
Sent: April 24, 2025 1:33 PM
To: Brandon Weiss <b.weiss@wasagadist.ca>
Cc: Nanette Dupuis <n.dupuis@wasagadist.ca>; Roy Rogers <r.rogers@wasagadist.ca>; HUSSAINI (Abdul)Syed <Abdul.Hussaini@HydroOne.com>; ZHU Lei <Lei.Zhu@HydroOne.com>; CHOUDHRY Musaab <Musaab.Choudhry@HydroOne.com>; TEHRANI Bahareh <Bahareh.Tehrani@HydroOne.com>
Subject: RE: Request for Consent – Service Area Amendment

Hello Brandon,

Hope you are doing well.

While my colleagues are reviewing your request, could you please provide any supporting documents in relations to your statement about regulatory alignment and historical agreements in section below of your letter:

"Regulatory Alignment & Historical Agreements: This amendment will align

with the 2017 regulatory intent and ensures that Wasaga Distribution's service

area is restored in accordance with previously recognized boundaries"

Any supporting document you may be able to share helps my colleagues with the review of your request.

Kind Regards,

Erfan Hajian, P.Eng. MBA| Account Executive | Hydro One Networks Inc. | Cel: 647.821.0896

WASAGA DISTRIBUTION INC. - 19

Reference:
HONI Evidence, Page 15, Section 3.0

Interrogatory:
Provide the metrics HONI uses to measure efficiency in distribution planning and service area determinations, and explain how these metrics account for embedded distributors.

Response:
Please refer to Exhibit I, Tab 2, Schedule 16 and 17, respectively, for the quantitative information normally relied upon to determine service area amendment applications.

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WASAGA DISTRIBUTION INC. - 20

Reference:
HONI Evidence, Page 15, Section 3.0

Preamble:
HONI has stated that it can accommodate the load of the subject lands using capacity from Sunnidale Corners DS F2, with an existing tie point to Duntroon DS F2, and that this configuration provides redundancy.

Interrogatory:
Can you clarify how this redundancy would function in practice for the subject lands, given that the proposed connection is via a radial line? Specifically, how long is the radial portion of the tie, and how does HONI ensure fault tolerance and rapid restoration for customers at the end of that radial segment?

Response:
All existing protection devices installed are designed to have fault tolerances for F-class feeders. In the case of a fault, the load from Sunnidale Corners DS F2 can be transferred to Duntroon DS F2 through a tie-point located 4.3km from the Subject Area. Rapid restoration is ensured due to Hydro One's 24/7 outage call center and dispatch of local crews to restore faults on radial lines or to proceed with the load transfer during the restoration of the affected equipment, reducing outage times for customers.

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WASAGA DISTRIBUTION INC. - 21

Reference:
HONI Evidence, Page 15, Section 3.0

Preamble:
HONI has identified Sunnidale Corners DS F2 and Duntroon DS F2 as sources of capacity for serving the subject lands.

Interrogatory:
Can you confirm whether HONI has real-time operational visibility and remote control capabilities at these stations? Specifically, are these stations equipped with SCADA, and if not, how does HONI monitor and respond to faults or switching requirements in a timely manner?

Response:
Hydro One has real time load monitoring and fault locators installed at the feeder head of both Sunnidale Corners DS and Duntroon DS, without remote operation. Please also refer to Exhibit I Tab 2, Schedule 20.

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WASAGA DISTRIBUTION INC. - 22

Reference:
HONI Evidence, Page 16, Section 4.0

Interrogatory:
Explain HONI's process for coordinating subdivision projects and municipal road works. Provide examples of coordination in Wasaga Beach in the last five years.

Response:
Please refer to Exhibit I, Tab 2, Schedule 23, Attachment 1 and 2 and Exhibit I, Tab 2, Schedule 24 and Attachment 1.

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WASAGA DISTRIBUTION INC. - 23

Reference:
HONI Evidence, Page 16, Section 4.0

Interrogatory:
Confirm whether HONI has engaged with the Town of Wasaga Beach regarding this development beyond standard generic circulation notice responses. If so, provide meeting minutes, correspondence, or summaries of discussions.

Response:
Hydro One engages with the Town of Wasaga Beach and other municipalities across the province as necessary to obtain municipal consent and seek approvals for Hydro One facilities, as demonstrated by Attachment 1 and 2 of this interrogatory response.

Discussions for the connection of a development are normally between the potential developer and the municipality or township, unless the connection request is sought by a municipality or township based on the municipal approval processes or there is specific input sought from the utility. Given the development stage of the Subject Area being relatively early, as conveyed by WDI in their prefiled evidence, Hydro One's direct involvement with the municipal approval process specific to this development has been limited and now in abeyance pending the outcome of this proceeding.

With respect to more general engagement with the Town of Wasaga Beach regarding this and any other development, Hydro One engages with townships and municipalities across Ontario regularly on a multitude of projects. This includes participating in events that have significant outreach to provide an efficient way of communicating with Hydro One's vast distribution service territory. This includes events such as the Rural Ontario Municipalities Association, the Ontario Small Urban Municipalities Conference, the Northwestern Ontario Municipal Association, as well as the Association for Municipalities of Ontario Conference. By participating in these events, Hydro One can engage with various townships and municipalities and understand their respective concerns.

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PRINT

Town of Wasaga Beach
Public Works Department,
Engineering Division
30 Lewis Street
Wasaga Beach, ON
L9Z 1A1

APPLICATION FOR MUNICIPAL CONSENT TO LOCATE PLANT WITHIN CITY PROPERTY

For City Use Only
M.C. # _____
File: _____

Application is hereby made by Hydro One to the Director of Public Works of the Town of Wasaga Beach for consent to Replace pole and anchor as identified on the attached drawing(s). Work is expected to commence _____ and to be completed in _____. Expected life of this plant is 50+ years. The proposed works are to be located:

DRAWING #	STREET	BETWEEN	TO	COMMENTS
303657490	Morgan Street	County Road 7	Middleton Drive	44.456707, -80.071069

We hereby certify the above works have been designed in accordance with sound engineering practices and full consideration has been given to all existing utilities, services and the safety and protection of the public, in the design of this plant and all its related structures.

The applicant agrees that no changes or deviations from the approved plan(s) will be made except with the consent and approval of the Director of Public Works, and agrees to submit as-constructed drawings once the works are completed.

APPLICANT:

Hydro One
Applicant or Authorized Person

James McCreight
Signature of Applicant or Authorized Person

Date: 3/25/25

Address: 45 Sarjeant Drive, Barrie L4N 4V9

Telephone: 1 888 238 2398

APPLICANT'S ENGINEER (if applicable)

Name of Engineer or Engineering Firm

Signature of Engineer or Engineering Firm

Date: _____

Address: _____

Telephone: _____

MUNICIPAL CONSENT GRANTED (subject to the attached conditions)

Date: 2025-04-15 Signature: Cole Matson

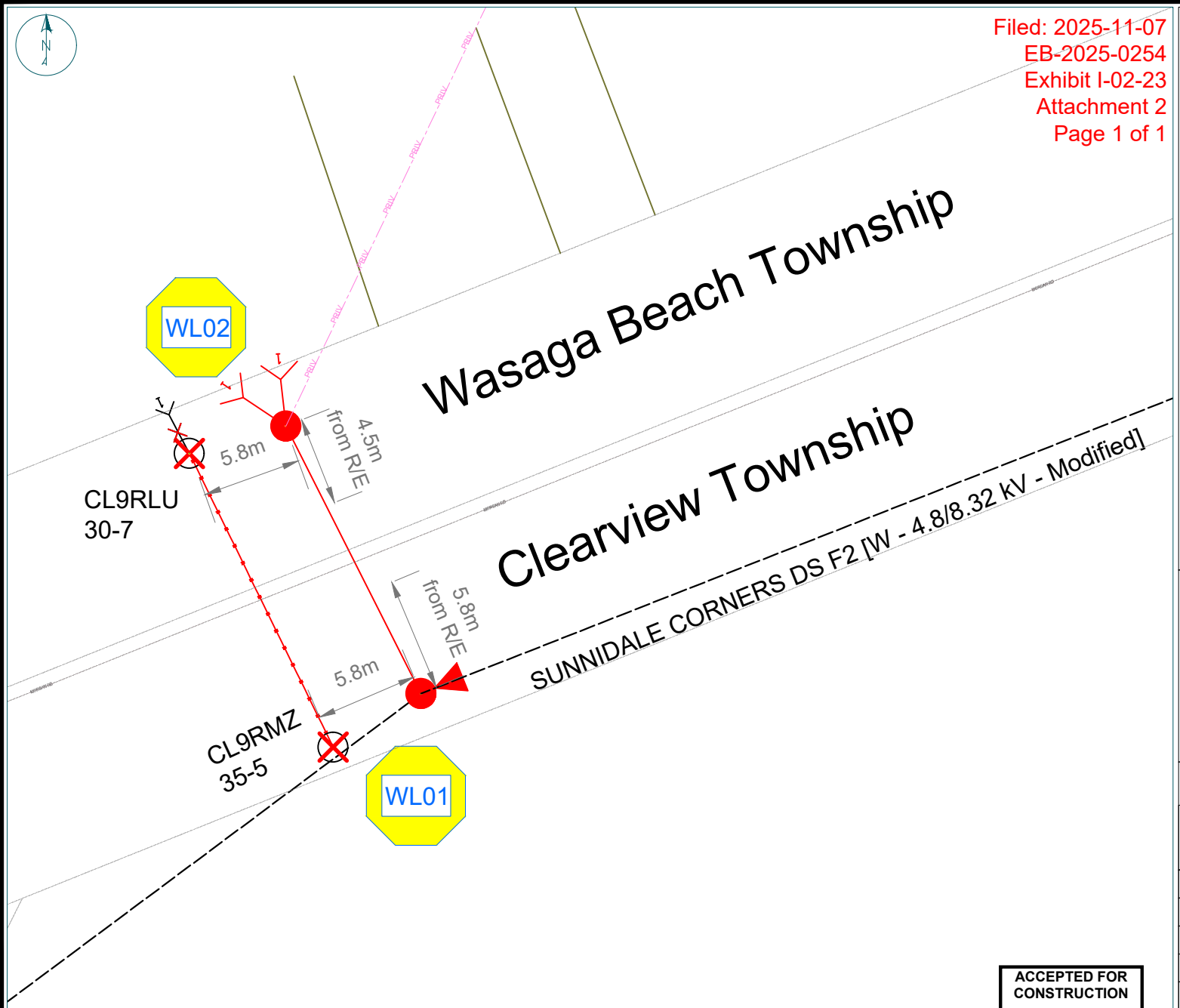
Special Comments:

Work commencement projected is Spring 2025. Dependant on scheduling, customer ESA and payment.

APPENDIX "B" – MC CLEARANCE GUIDELINES (PREFERRED)

All Dimensions in Millimetres (mm)	Preferred Vertical Clearance	Preferred Horizontal Clearance
ELECTRICITY Wasaga Distribution Inc.		
Conduits	500	1500
Transformers	1500	1500
Streetlights (Town owned infrastructure)	1500	1500
GAS Enbridge		
Gas main < 400 mm (16") diameter	500	1500
Gas main >= 400 mm (16") diameter	1500	3000
Above ground regulator stations	1500	1500
BELL Telecommunications		
All buried infrastructure	500	1500
Above ground infrastructure	1000	3000
ROGERS Telecommunications		
All buried infrastructure	500	1500
Above ground infrastructure	1000	3000
ROAD		
Clearance from road, curb, sidewalks	1000	1000
Clearance from catchbasins	1000	1500
Above ground plant clearance from Traffic Signal Poles	1000	1500
Above ground plant clearance from Controller Boxes	1000	1500
Above ground plant clearance from Fire Hydrant	1000	3000
Buried plant clearance from Fire Hydrant (incl. lead & valve)	1000	3000
Water Supply		
Services	1000	1000
Mainline 100 mm - < = 400 mm diameter	1500	1500
Mainline >= 400 mm diameter	2000	2000
Valve Chamber	2000	2000
Storm Sewer (incl. CB & Subdrain)		
< 100 mm diameter	1000	1000
100 mm >= 750 mm diameter	1500	1500
>= 750 mm diameter	2000	2000
Maintenance Hole	2000	2000
Sanitary Sewer		
Services	1000	1000
Mainline 200 mm to <= 375 mm diameter	1500	1500
Mainline >=375 mm diameter	2000	2000
Maintenance Hole	2000	2000

Filed: 2025-11-07
EB-2025-0254
Exhibit I-02-23
Attachment 2
Page 1 of 1



All Dimensions are in Meters
Not to Scale

LINETYPES

OVERHEAD – 1PH	UNDERGROUND – 1PH
OVERHEAD – 2PH	UNDERGROUND – 2PH
OVERHEAD – 3PH	UNDERGROUND – 3PH
OVERHEAD – Sec.	UNDERGROUND – Sec.
OVERHEAD – Priv. 1PH	UNDERGROUND – Priv. 1PH
OVERHEAD – Priv. 2PH	UNDERGROUND – Priv. 2PH
OVERHEAD – Priv. 3PH	UNDERGROUND – Priv. 3PH
SUBMARINE – 1PH	UNDERGROUND – Priv. Sec.
SUBMARINE – 2PH	
SUBMARINE – 3PH	

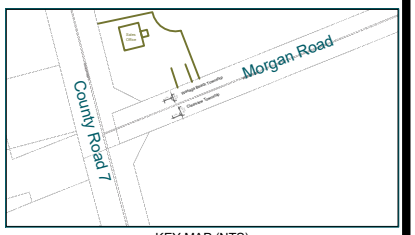
SYMBOLS

- PROPOSED POLE – Wood, Composite, Steel, Joint Use/Customer
- EXISTING POLE – Wood, Composite, Steel, Joint Use/Customer
- O/H – U/G TRANSITION (DIP/RISER) – Primary, Secondary
- ANCHORS/DOWN GUY – Hydro, Private/Joint Use, Push Pole
- WORK LOCATION
- UNDERGROUND VAULT – 1PH, 3PH
- UG TRANSFORMER – 1PH, 1PH PVT, Transclosure
- UG TRANSFORMER – 3PH
- KIOSK – 1PH, 3PH
- SECONDARY JUNCTION – Vault, Pedestal
- REMOVAL
- EASEMENT AREA – Dimensions ±10% (pending final survey)

COLOR SCHEME

- Existing
- Hydro One Only Section 2.0
- Hydro One or Contractor Section 3.0
- Work by Others (Bell or LDC)
- Work by Customer

LEGEND



KEY MAP (NTS)

ACCEPTED FOR CONSTRUCTION
TOWN OF WASAGA BEACH
Per: Cole Matson
Date: 2025/04/15

Hydro One Networks Inc.
DESIGN SERVICES
SCHEDULE A

Owner Name : XX
Owner Signature :
Owner Name : XX
Owner Signature :
Prepared By : McCreight, James
PIN : XX

The location of the new or existing poles and anchors may not be exact. The stake marks the final location.

schedule 'A'
property easement sketch

TITLE BLOCK REV 03 – JUNE 2023
LETTER (11"x8.5")

WASAGA DISTRIBUTION INC. - 24

Reference:

HONI Evidence, Page 16, Section 4.0

Interrogatory:

Describe HONI's full connection process from initial customer contact to final connection for residential and small business low-voltage customers, and identify the typical timelines for each stage (such as layout package finalization), including any areas where delays commonly occur?

Response:

Please refer to Attachment 1 of this interrogatory for the "Connecting your Subdivision Brochure".

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Connecting your subdivision to Hydro One's Grid

We offer a one-stop shop for developers connecting subdivisions to our distribution system. We ensure all developments are managed through the same process. This preserves the integrity of our distribution system and ensures a high-quality design.

We perform all design work associated with the subdivision network including all necessary system enhancements. Depending on project details, you may be required to pay for system enhancement and expansion costs as a part of the project.

Who does what?

Electrical work for subdivisions is made up of the following components:

- Contestable work which may be performed by the developer (or a contractor of their choice) or by Hydro One.
- Non-contestable work which must be performed by Hydro One.
- Civil work is the responsibility of the developer.

Hydro One - Option A

In this option, Hydro One completes both the contestable and non-contestable work. Hydro One supplies all material and labour for the installation of the electrical distribution system. This option takes advantage of Hydro One's experience in meeting the technical requirements of system development and the fact that we have all the necessary equipment to do the job.

Hydro One – Option B

In this option, contestable work is completed by the developer. The developer may have a contractor perform this work on the developer's behalf provided that the developer obtains Hydro One's approval before retaining the contractor. The developer supplies all materials for the completion of the contestable work.

Description of contestable work

Hydro One or developer/contractor can perform this work (unless otherwise stated on drawing)

For underground lines (including submarine):

- Supply and install primary and secondary cables
- Install secondary splices

For overhead lines:

- Install new poles, primary and secondary conductor, guys and anchors
- Install primary and secondary framing
- Install grounding (plates and rods)

Description of non-contestable work

Hydro One MUST perform this work at the developer's cost

For underground lines (including submarine):

- Perform make ready work on existing Hydro One facilities (dip pole or existing transformer or kiosk)
- Termination of all primary and secondary cables within the Electrical Distribution System
- Supply and install transformers and kiosks including inserts, elbows, insulating caps, arrestors and feed through
- Supply and install kiosks including insulating caps
- Install numbering, signs, locks and phase markings on transformers and kiosks
- Connection of grounds to transformers and kiosks
- Supply and install switching/isolation of existing Hydro One facilities
- Perform inspection

For overhead lines:

- Hydro One or developer/contractor can perform this work (unless otherwise stated on drawing)
- Perform make ready work on existing Hydro One facilities
- Termination of all primary cables at transformer and switch locations and secondary cables transitioning to underground within the Electrical Distribution System
- Supply and install transformers and transformer framing
- Supply and install switches

Description of civil work:

The developer shall perform the following civil work, at its own expense in accordance with the applicable Hydro One specifications and standards.

For underground lines:

- Excavate trenches
- Supply and install sand padding with masonry sand
- Supply and install pre-cast concrete vaults and backfill
- Supply and install bollards if specified by Hydro One in the design of the Electrical Distribution System
- Supply and install grounding (rods)
- Supply and install a crushed stone base for transformers and kiosks
- Supply and install complete duct banks as specified on drawing
- Supply and install road crossing ducts (including road cuts and bores) complete with pull rope and caps for spares
- Perform any other civil work identified in the applicable Hydro One specifications and standards
- All forestry work outside of operating clearances around existing lines

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 grounding (rods or plates)
- Install masonry sand padding and crushed stone
- Perform any other civil work identified in the applicable Hydro One specifications and standards.
- All forestry work outside of operating clearances around existing lines

How we'll work together

Developer

Call Hydro One's Subdivision Department at 1 866 272 3330, identify the project and leave contact information

Provide complete project information as requested by Hydro One. (See requirements from the information checklist and pay design costs.)

Approve design or submit design changes. Note: Submission of design changes will mean Hydro One redraws the design and your project may be delayed and incur redesign fees (length of delay and amount of fees is dependent upon the number and materiality of changes requested).

Choose Option A or Option B (see contestable and non contestable work) and return fully executed agreement with all obligations met.

Note: Hydro One will not undertake construction work until a binding agreement is in place.

Hydro One

Respond to developer within 10 business days to get complete project information. Please note project timelines vary by locations based on the number of customers in the queue.

Deliver preliminary design within 45 business days after developer pays design costs.

**Redesign if developer or municipality request changes to design.*

Prepare final cost estimate and legal agreement within 30 business days after developer approves final design and make ready design is received from local area field staff. Obtain road approval by the municipality or township on the placement of Hydro One equipment.

Order materials and schedule work. Timeline varies depending on construction options selected and delivery of materials.

Information checklist

Information needed to complete the New Customer Connection Information form:

- ☐ Name of subdivision
- ☐ Total number of phases and lots per phase
- ☐ Location: Lot or RP, concession, township
- ☐ Type of lots: single family, semi, quad, townhouse street-side, townhouse free hold, industrial/ commercial
- ☐ House size in square feet
- ☐ Required service size
- ☐ Heat source: gas, electric or other
- ☐ Electric water heating
- ☐ Electric car charging station(s)
- ☐ Solar photovoltaic (PV) panels
- ☐ Home battery pack (Powerwall, etc.)
- ☐ Central air conditioning
- ☐ Load type/usage
- ☐ Additional requirements: schools,commercial, sewage or water pumps
- ☐ Ministry file number
- ☐ Joint use: Bell, CATV, gas
- ☐ Projected in-service date
- ☐ Site plan in CADD *(version 2021 or previous with a defined coordinate system)*
- ☐ Road cross section(s)

Conact Us

Mail
Hydro One
Subdivision Department
230 Bayview Dr, Unit 1
Barrie, ON L4N 4Y8

Call
1.866.272.3330

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subdivision@HydroOne.com

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WASAGA DISTRIBUTION INC. - 25

Reference:
HONI Evidence

Preamble:
HONI repeatedly frames its position around “public interest” and “economic efficiency,” which are statutory objectives under section 1 of the Ontario Energy Board Act. Provide HONI’s interpretation of the OEB’s objectives under section 1 of the Ontario Energy Board Act as they relate to embedded distributors.

Interrogatory:
Does HONI consider embedded distribution arrangements to be consistent with those objectives?

Response:
Hydro One confirms that the legislative objectives under section 1 of the Ontario Energy Board Act (“OEB Act”) are relevant considerations for the Board in determining if a service area amendment is in the public interest. Whether embedded distribution arrangements are consistent with objectives under section 1 of the OEB Act is dependent on the facts and the specific relief sought in an application before the Board. Hydro One understands WDI’s question to be specific to the matter before the Board, i.e., a contested service area amendment application. Accordingly, Hydro One relies on its Intervenor Evidence and the jurisprudence listed in section 2.0 therein, to support its position on what the Board should consider with respect to whether WDI's application is in the public interest and the considerations related to economic efficiency in assessing the merits of a service area amendment by the Board. In addition, more specifically, please refer to Exhibit I, Tab 1, Schedule 2, Attachment 1.

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WASAGA DISTRIBUTION INC. - 26

Reference:
HONI Evidence

Interrogatory:
Is HONI suggesting that maintaining its current service territory should take precedence over the interests of electricity consumers who may receive more reliable and cost effective service from Wasaga Distribution Inc.? Please explain how this position aligns with the Ontario Energy Board's statutory mandate to protect consumers.

Response:
No, Hydro One is not suggesting that the commercial interest of any utility or a specific customer should outweigh the public interest. Hydro One's complete referenced evidence is focused on articulating that the public interest test, as defined in the OEB's Combined Distribution SAA Proceeding and the subsequent OEB Chapter 7 Filing Requirements that flow therefrom, is not satisfied by WDI's application to serve the Subject Area.

Specifically, with respect to customer preference and/or commercial interests of a utility, the public interest assessment that the OEB should take into consideration is clearly articulated in various sections of the OEB's Combined Distribution SAA Proceeding and Hydro One agrees with the OEB's findings.

Therein, at paragraphs 229 to 230, the OEB outlines their findings that support their conclusion that customer preference is an important, but not overriding consideration when assessing the merits of an application for a service area amendment:

> The Board's duty to protect the interests of consumers as expressed in the objectives, means that the interest of any particular market participant must cede to the system's requirements where these interests conflict. Insofar as the Board has indicated elsewhere in this decision that it does not generally support the fostering of competition in the distribution activity, in its consideration of service area amendments, it will favour those applications which show that a given connection proposal represents the most economically efficient use of existing resources within the distribution system.

> In many cases, the interests of the individual customer will align with the interests of other customers, and the system as a whole. Each market participant must accept the interdependence which is fundamental to the system. Each participant has a right to expect that others engaged in the same system meet their respective costs, without subsidization or penalty. That is as true for new customers as it is for others.

Additionally, with respect to the OEB's public interest assessment specific to contested service area amendments involving embedded service areas, Hydro One again aligns and relies on the OEB's findings from the OEB's Combined Distribution SAA Proceeding, specifically those outlined in paragraphs 173 through to 179. Hydro One has not reviewed any documentation provided by WDI in the record of this proceeding to resile from these OEB findings in support of its position. Please refer to Attachment 1 of Exhibit I, Tab 1, Schedule 2 for an extract of the referenced paragraphs.

Hydro One disagrees with WDI's characterization and respectfully submits that Hydro One continuing to serve the Subject Area is in alignment with the OEB's SAA principles as demonstrated in Hydro One's Intervenor Evidence submission.

Hydro One's position is in alignment with the OEB's finding that reads,

> The Board does not believe that significant weight should be put on differences in current distribution rates even though current rates may be a significant factor in determining customer preference. In fact current rates, insofar as they are not a predictor of future rates, may misinform customer preference. As Dr. Yatchew indicated, an applicant demonstrating that its rates are lower than the rate of the incumbent utility would not be a satisfactory demonstration that its costs to serve the amendment area will be lower on a sustainable basis[1].

Hydro One aligns with the OEB that current rates may determine customer preference today and the customer in the future may not be the customer today. The developer's interest may not reflect the end consumer's interests who will be the residential customer living within the Subject Area in the future.

[1] RP-2003-0044, OEB Decision with Reasons, February 27, 2004, par. 86.

The Combined Proceeding outlines the OEB's view of customer preference with respect to public interest stating,

> The preference of a particular customer or group of customers cannot be relied upon to yield results that are necessarily in the overall public interest[2].

The public interest is met with Hydro One continuing to serve the subject area promoting economic efficiency and cost-effectiveness facilitating a financially viable electricity industry, as per the OEB Objectives in section 2.3[3]. that read as follows,

> 4. To promote economic efficiency in the generation, transmission and distribution of electricity.[and] 5 To facilitate the maintenance of a financially viable electricity industry.

[2] RP-2003-0044, OEB Decision with Reasons, February 27, 2004, par. 64.
[3] RP-2003-0044, OEB Decision with Reasons, February 27, 2004, par. 67-68.

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