



Wasaga Distribution Inc.

Application for a Service Area Amendment

DECISION ON MOTION AND PROCEDURAL ORDER NO. 6

January 15, 2026

Wasaga Distribution Inc. (Wasaga Distribution) filed an application with the Ontario Energy Board (OEB) on August 19, 2025, under section 74 of the *Ontario Energy Board Act, 1998*, to amend its licensed service area¹ to include a property located at 400 45th Street South, in the Town of Wasaga Beach, to its licensed territory. The subject property is currently part of Hydro One Networks Inc.'s (Hydro One) service area. The OEB is proceeding by way of a written hearing. Hydro One is an approved intervenor.

Wasaga Distribution and Hydro One filed responses to interrogatories related to their respective evidence on November 7, 2025. Hydro One filed a Notice of Motion on November 14, 2025, requesting (among other relief) that the OEB order Wasaga Distribution to provide complete answers to Hydro One interrogatories 1(c), 7(e) and (f) and 12(b) for greater detail on previous Wasaga investments close to the subject area since 2015 and all correspondence with the developer.

Hydro One set out several grounds for its motion, including the relevance of the requested information, and “the need for the information in order to fairly compare the fully allocated connection costs resulting from the connection to the Applicant rather than to the incumbent distributor”².

This is the Decision of the OEB on Hydro One’s motion.

Principles Applicable to Service Area Amendments

The OEB’s governing principles related to Service Area Amendment applications were articulated in the OEB’s decision and order in RP-2003-0044, a 2003 proceeding. RP-2003-0044 was a combined proceeding in which the OEB considered issues raised by numerous Service Area Amendment applications. The principles were developed to assist the OEB in its consideration of both uncontested and contested Service Area Amendment applications. A key principle was that financial evaluation must reflect fully loaded costs (both direct and indirect) to ensure economic efficiency and the effective

¹ Refer to Schedule 1 of Wasaga Distribution Inc. Licence (ED-2002-0544)

² Hydro One, Motion, November 14, 2025, p.3.

use of existing infrastructure within the distribution system. OEB's filing requirements for Service Area Amendment applications were based on the decision and order in the RP-2003-0044 proceeding. In that decision and order, the OEB stated:

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.³

The current decision considers whether the additional information requested by Hydro One is needed, and whether Wasaga Distribution has complied with the OEB's requirements for financial evaluations in Service Area Amendment (SAA) or contested Service Area Amendment applications. Specifically,

Section 7.5.3⁴ of the OEB's Service Area Amendment filing requirements states:

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.

Section 7.5.3 requires that all costs, revenue and capital contributions associated with the proposed connection be included in the financial evaluations presented in the application.

³ RP-2003-0044 Decision with Reasons, February 17, 2004, p. 41

⁴ *Filing Requirements for Service Area Amendment Applications*, dated March 12, 2007.

Motion for Wasaga Distribution to file further answers to Hydro One interrogatories 1(c), 7(e) and (f) and 12(b)

On November 14, 2025, Hydro One filed a motion under Rules 2.01, 2.02, 7, 8, 26 and 27 of the [OEB's Rules of Practice and Procedure](#) seeking an Order of the OEB for Wasaga Distribution to provide complete answers to Hydro One interrogatories 1(c), 7(e) and (f) and 12(b) and that the motion be heard in writing. Rule 27.01(a) requires a party receiving an interrogatory to "provide a full and adequate response to each interrogatory"; Rule 27.03 provides that "Where a party is not satisfied with the response provided, the party may bring a motion seeking direction from the OEB."

The subject interrogatories and Wasaga Distribution's responses are available in the OEB's webdrawer for this proceeding, and the OEB will not repeat them in detail here.

However, to summarize:

- In interrogatory 1(c), Hydro One asked Wasaga Distribution to provide a copy of the communication when Wasaga Distribution was first made aware of the potential development of the Subject Area. Wasaga Distribution responded that it was made aware in report PRE-C1722 on August 23, 2022, but did not provide a copy of the requested document. PRE-C1722 is a municipal document that was circulated to Wasaga Distribution on August 23, 2022, from The Corporation of the Town of Wasaga Beach's planning department. PRE-C1722 provided details of the proposed development on the Subject Area, which included a circulation list of identified parties and an invitation to the parties to attend a pre-consultation meeting on September 21, 2022. Since the motion was filed, and following the OEB's direction in Procedural Order No. 4, issued on November 25, 2025, Wasaga Distribution has filed a copy of report PRE-C1722.
- In interrogatories 7(e) and (f), Hydro One asked Wasaga Distribution what the upstream costs of three investments incurred since 2022 to supply the Subject Area were, and whether those investments were exclusively funded by Wasaga Distribution ratepayers or capital contributions were made. Wasaga Distribution relied on its responses to OEB Staff interrogatory 5, parts 1 and 2, that asked similar questions (to provide the upstream investment costs already made to supply the Subject Area), and that Hydro One's question 7(f) did not pertain to this proceeding, but Hydro One did not consider those responses adequate or complete.
- In interrogatory 12(b) Hydro One requested all Morgan Road infrastructure additions, relocations, or upgrades from January 1, 2015 to present (asset name, approval date of investment need decision, asset in-service date, book value cost, and stated need) and to provide the details for Reference 2 (Wasaga Distribution's assertion

that denial of the amendment would strand Wasaga Distribution's existing infrastructure along Morgan Road). Wasaga Distribution's response was that this matter is addressed collectively in its responses to HONI-4, HONI-7, and HONI-9. Hydro One states that this was not received.

Wasaga Distribution responded on November 17, 2025, submitting that it has provided complete and sufficient responses to Hydro One interrogatories 7(e) and (f) and 12(b), and that it has no objection to providing a copy of report PRE-C1722.

In Procedural Order No. 4, the OEB directed Wasaga Distribution to deliver a copy of report PRE-C1722 and update its response to Hydro One interrogatory 1(c). The OEB also requested that Hydro One provide explanations for its requests in its interrogatories 7(e) and (f) and 12. More particularly, with regard to interrogatories 7(e) and (f), the OEB asked Hydro One to explain how upstream costs incurred and contributions in aid of construction paid since 2022 are relevant to this application and to the Principles for Dealing with Service Area Amendments as identified in RP-2003-0044. With regard to interrogatory 12, the OEB noted that the time period at issue in this interrogatory straddles Wasaga Distribution's Price Cap IR terms and appears to involve the OEB's rate-related approvals such as opening rate base and capital expenditures. The OEB requested that Hydro One explain how this interrogatory is within the scope of the current SAA proceeding.

In its December 2, 2025 letter responding to Procedural Order No. 4, Hydro One explained that the requested information was necessary for the OEB to properly compare the economic and engineering efficiency of Wasaga Distribution and Hydro One to supply the subject land. Hydro One stated that Wasaga Distribution must be "transparent in this proceeding and provide a fulsome response, and disclose any upstream costs and investments which have been incurred post August 2022"⁵, to comply with Service Area Amendment filing requirements and the OEB's RP-2003-0044 economic efficiency principle. Hydro One stated that the relevance of asset additions, relocations or upgrades from January 1, 2015 to present, to this Service Area Amendments application and the principles in RP-2003-0044 is that the principles in RP-2003-0044 state that "Economic efficiency would include...ensuring that the amendment does not result in any unnecessary duplication or investment in distribution lines and other distribution assets and facilities"⁶. Hydro One went on to state that Wasaga Distribution "has confirmed in this proceeding and/or in its latest rebasing application that the construction of the facilities referenced in Hydro One Interrogatories 7(e) and 7(f) was intentionally planned to serve incremental load growth, including the Subject Area, and thus these are relevant costs that can be reasonably associated with

⁵ Hydro One letter, December 2, 2025, p. 2.

⁶ RP-2003-0044 Decision with Reasons, February 17, 2004, p.18

the connection of the Subject Area”⁷. Although the response to Hydro One interrogatory 8(e) was not mentioned in Hydro One’s Notice of Motion, Hydro One noted that Wasaga Distribution’s response to Hydro One interrogatory 8(e) includes information that Wasaga Distribution’s October 2023 load growth analysis report included as attachment A to Wasaga Distribution’s supplementary evidence filed on October 27, 2025 (that report supported Wasaga Distribution’s most recent rebasing application) included the Subject Area. Hydro One asserted that report PRE-C1722 informed the load growth analysis report, but that Wasaga Distribution originally did not acknowledge that the Subject Area was included in the load growth analysis report until it provided its response to Hydro One interrogatory 8(g). Finally, Hydro One requested additional information related to Wasaga Distribution’s response to Hydro One interrogatory 1(d) (in which Hydro One requested information about documentation and/or information sent to the developer, and meeting dates, between August 23, 2022, when PRE-C1722 was issued, and January 30, 2024) in light of the new information about PRE-C1722.

On December 4, 2025, Wasaga Distribution filed a response to Hydro One’s December 2, 2025, correspondence. In its response, Wasaga Distribution provided additional information related to Hydro One interrogatory 1(d) that it advised was inadvertently omitted from its earlier response to that interrogatory. Wasaga Distribution also maintained its position “that the requests for further answers to HONI 7(e) and (f) should be denied, as the information is not relevant or necessary”⁸. Wasaga Distribution also “clarified that certain correspondence with the developer was inadvertently omitted from its earlier response to [Hydro One] IR 1(d)”⁹ and filed the correspondence as Appendix A – Correspondence with Developer. Wasaga Distribution further stated that Hydro One’s request for a “chronology of all capital investments along Morgan Road dating back to 2015 is not relevant. That work was undertaken to support feeder interconnectivity between MS3 and MS6 to enhance system reliability and would have proceeded regardless of the proposed development”¹⁰.

On December 10, 2025, the OEB issued Procedural Order No. 5 in which it permitted Hydro One to submit a reply to Wasaga Distribution’s December 4, 2025, letter by December 12, 2025.

On December 12, 2025, Hydro One filed its reply. Hydro One acknowledged that Wasaga Distribution’s November 27, 2025, filing of PRE-C1722 addressed the relief requested in paragraph 1 of its motion, and withdrew its request. However, Hydro One

⁷ Hydro One letter, December 2, 2025, p. 2.

⁸ Wasaga Distribution, letter, December 4, 2025, p. 1.

⁹ *Ibid.*

¹⁰ *Ibid.*

maintained that Wasaga Distribution should be required to update its response to Hydro One interrogatory 1(d).

Hydro One maintained its position that the asset upgrades and investments made by Wasaga Distribution to supply the development in the Subject Area were completed after the joint Hydro One/Wasaga Distribution Long Term Load Transfer application in 2016. Hydro One also stated that Wasaga Distribution has not been able to “clearly identify which assets would be duplicated or the extent of [Wasaga Distribution] ratepayer funding to construct those facilities”¹¹, which is important to the principles of economic efficiency and the Service Area Amendments filing requirements. Hydro One states that without this information, the OEB cannot make an informed decision because there is insufficient evidence to determine which proposed connection is more “technically efficient and cost-effective”¹².

Findings

The OEB denies the Hydro One motion to require Wasaga Distribution to file additional information in response to Hydro One’s interrogatories. The OEB is satisfied that the record as it currently stands provides the information necessary to move on to the next steps in this proceeding.

The OEB has also considered Hydro One’s request, as stated in its evidence¹³, to add the records of five previous OEB proceedings (RP-2003-0044, EB-2006-0327, EB-2015-0006, EB-2016-0207, EB-2023-0055) to the record of the current proceeding.

It is open to Hydro One, or any party, to reference the public record of the aforementioned proceedings in its submission. However, since the records of all five proceedings are already public and available for reference, the OEB does not see the need to add them to the record of this proceeding. The OEB regards any OEB public document from the above proceedings as available for reference in this proceeding.

The OEB’s reasons for denying the motion are provided below, arranged by interrogatory response. Hydro One’s additional requests in its December 2, 2025 letter are also addressed. In denying the motion, the OEB reminds parties that the onus is on the applicant to support its case. It is open to any party to argue that the application is deficient, and if the OEB agrees, then the application may be denied, approved subject to conditions, or the OEB may take further procedural steps before issuing a decision.

¹¹ Hydro One, letter, December 2, 2025, p. 3.

¹² *Ibid.*

¹³ Hydro One, Evidence, October 17, 2025, p. 2-3.

Hydro One Interrogatory 1(c)

Hydro One Interrogatory 1(c) had asked, “Please clarify when WDI was first made aware of the potential development of the subject area”¹⁴. The OEB finds Wasaga Distribution’s response to this interrogatory, as updated, to be sufficient.

Hydro One Interrogatories 7(e) & (f)

Hydro One contended that both upstream costs incurred to serve the Subject Area and contributions in aid of construction paid since August 2022 for those same upstream investments are relevant to this application and to the Principles for Dealing with Service Area Amendments as identified in RP-2003-0044.

In response to Hydro One’s request regarding evidence from Wasaga Distribution’s 2021, 2022 and 2023 Capital Budget Reports from its cost of service proceeding¹⁵, the OEB confirms that such OEB public record documents are available for reference in this proceeding.

The OEB observes that while Wasaga Distribution’s prior capital investments may be relevant in deciding the application for a Service Area Amendment, further detail on the budget-to-actual capital investments is not expected to be determinative.

The relevance of capital budgets approved in prior rates proceedings will be one of the many factors that the OEB will consider in deciding the application. For the purpose of filing submissions in this proceeding, forecast costs will be accepted by the OEB as a reasonable proxy of incurred costs for inclusion in comparative financial evaluations. The OEB does not expect that exact dollars are needed to support submissions. Further, the true-up of prior OEB capital budget approvals is typically a rates issue for rate base determination, to be considered in a cost of service or rebasing proceeding.

Hydro One Interrogatory 12 (b)

In interrogatory 12(b) Hydro One requested a chronology of Morgan Road infrastructure additions since January 1, 2015, within Wasaga Distribution’s current service territory, and as amended in 2017. Hydro One further expanded its request in the December 2, 2025 letter and asked for details to support the Wasaga Distribution assertion that denial of the amendment would strand Wasaga Distribution’s existing infrastructure along Morgan Road. Hydro One stated that the OEB’s principles for Service Area Amendments outline that, “Economic efficiency would include ... ensuring that the amendment does not result in any unnecessary duplication or investment in distribution

¹⁴ Hydro One, Interrogatory, October 31, 2025, p. 3.

¹⁵ Hydro One, Evidence, October 17, 2025, p. 11.

lines and other distribution assets and facilities”¹⁶. However, the Wasaga Distribution “application and record in this proceeding do not clearly identify which assets would be duplicated or the extent of Wasaga Distribution ratepayer funding to construct those facilities”¹⁷.

The OEB has considered Wasaga Distribution’s response to Hydro One Interrogatory 12(b), which in turn refers to its responses to Interrogatories 4, 7, 9 and 11. The OEB is satisfied that Wasaga Distribution has filed adequate information about Morgan Road infrastructure additions since January 1, 2015, in response to Interrogatories 12(b) and OEB staff Interrogatory 5.

Wasaga Distribution’s response to Hydro One’s Interrogatory 12(c) indicates that the only assets at risk of stranding are five poles with single-phase primary and neutral conductors along Morgan Road that are fully depreciated and carry no book value. These legacy assets were originally installed by Ontario Hydro prior to the existence of Hydro One and Wasaga Distribution.

The OEB is satisfied that Wasaga Distribution has filed adequate details of the existing infrastructure on Morgan Road, including those that may be stranded. The details provided are consistent with the requirements of Section 7.3.5 of the OEB’s Service Area Amendments filing requirements to provide a description of any assets which may be stranded or become redundant.

As noted previously, Hydro One may reference OEB public record documents in submissions as necessary. Further, Hydro One may address any alleged deficiencies in the Wasaga Distribution evidence in its submissions on the application.

Request for more information in the December 2, 2025 letter

Hydro One’s December 2, 2025, letter was filed in response to Procedural Order No. 4, requesting the following additional information, although Hydro One did not formally update its motion:

- a) Did Wasaga Distribution attend the September 21, 2022, pre-consultation meeting? If yes, to provide a copy of the information it shared at the meeting or a summary of the information it shared.
- b) To provide any documentation or information shared between August 23, 2022 (the date of issuance of the PRE-C1722 municipal circulation) and January 30, 2024 to the developer(s), including a copy of the email it sent to Sterling as referenced in Wasaga Distribution’s response to Hydro One’s Interrogatory at

¹⁶ Hydro One, letter, December 2, 2025, p. 3.

¹⁷ Hydro One, letter, December 2, 2025, p. 3.

1(d) “noting HONI as the distributor of record and requesting [Sterling’s] support should a SAA be pursued”¹⁸ which was not produced in Appendix F.

Hydro One requested that Wasaga Distribution revise its response to interrogatory 1(d) to include information on prior meetings with the developer referenced in PRE-C1722. Hydro One’s Interrogatory 1(d) had asked, “Please provide any documentation or information sent by WDI to the developer prior to January 30, 2024, regarding this connection and the dates those details were shared. If the documentation or information was shared in meetings (prior to January 30, 2024), please include the meeting date”¹⁹.

Wasaga Distribution had responded to Interrogatory 1(d) stating no meetings had occurred prior to January 30, 2024 as all communication was via email. Wasaga Distribution referenced PRE-C1722 and stated that an email had been sent to Sterling at the time yet no further communication occurred until January 30, 2024²⁰. Appendix F to the interrogatory responses provided copies of email correspondence with the developer and their consultants in 2025.

The OEB does not find it necessary for Wasaga Distribution to file all information and documentation during the time frame between August 23, 2022, and January 30, 2024. The OEB notes that discussions between Wasaga Distribution and any developers would likely have evolved over time and the OEB does not expect the detailed history of communications dating back four years to be determinative in this proceeding. All parties will have the opportunity to argue positions in their submissions.

The OEB is satisfied that the record as it currently stands provides the information necessary for the next steps in the proceeding and accordingly denies Hydro One’s motion. The OEB is making provision for the following related to this proceeding. Further procedural orders may be issued by the OEB.

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Any written submissions from intervenors and OEB staff shall be filed with the OEB and served on all parties by **January 29, 2026**.
2. Any written reply submission from Wasaga Distribution shall be filed with the OEB and served on all parties by **February 12, 2026**.

Parties are responsible for ensuring that any documents they file with the OEB, such as applicant and intervenor evidence, interrogatories and responses to interrogatories or

¹⁸ Hydro One, letter, December 2, 2025, p. 4.

¹⁹ Hydro One, Interrogatory, October 31, 2025, p. 3.

²⁰ Wasaga Distribution’s response to Hydro One Interrogatory 1 (c).

any other type of document, **do not include personal information** (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's [Rules of Practice and Procedure](#).

Please quote file number, **EB-2025-0254** for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the [OEB's online filing portal](#).

- Filings should clearly state the sender's name, postal address, telephone number and e-mail address.
- Please use the document naming conventions and document submission standards outlined in the [Regulatory Electronic Submission System \(RESS\) Document Guidelines](#) found at the [File documents online page](#) on the OEB's website.
- Parties are encouraged to use RESS. Those who have not yet [set up an account](#), or require assistance using the online filing portal can contact registrar@oeb.ca for assistance.
- Cost claims are filed through the OEB's online filing portal. Please visit the [File documents online](#) page of the OEB's website for more information. All participants shall download a copy of their submitted cost claim and serve it on all required parties as per the [Practice Direction on Cost Awards](#).

All communications should be directed to the attention of the Registrar and be received by 4:45 p.m., on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Natasha Gocool at Natasha.Gocool@oeb.ca and OEB Counsel, James Sidlofsky, at James.Sidlofsky@oeb.ca.

Email: registrar@oeb.ca

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DATED at Toronto, **January 15, 2026**

ONTARIO ENERGY BOARD

Ritchie Murray
Acting Registrar