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**Susan Frank**

Vice President and Chief Regulatory Officer  
Regulatory Affairs

BY COURIER

January 17, 2007

Ms. Kirsten Walli  
Secretary  
Ontario Energy Board  
Suite 2700, 2300 Yonge Street  
P.O. Box 2319  
Toronto, ON.  
M4P 1E4

Dear Ms. Walli:

**EB-2006-0327 – Filing Requirements for Service Area Amendment Applications – Hydro One Network's Comments**

In response to the Ontario Energy Board staff proposal issued December 20, 2006 and entitled "Filing Requirements for Service Area Amendment Applications", Hydro One Networks Inc. is pleased to provide the attached comments. If you would like to discuss our comments further please contact Ruth Greay at 416 345-6408.

I am providing three (3) copies of written comments on behalf of Hydro One Networks Inc. Electronic copies in searchable Adobe Acrobat (PDF) and MS Word are being filed by email to Boardsec@oeb.gov.on.ca.

Sincerely,

A handwritten signature in black ink that reads "Susan Frank". The signature is written in a cursive, flowing style.

Susan Frank

Attach. (1)

**Hydro One Networks Inc.**  
**Comments Respecting Ontario Energy Board Staff Proposal Re:**  
**Filing Requirements For Service Area Amendment Applications**  
**Board File No. EB-2006-0327**

**1.0 Introductory Remarks**

Hydro One Networks Inc. ("Hydro One") is very encouraged by Board staff's initiatives to streamline and standardize filing requirements for the Ontario Electricity Local Distribution Companies ("LDCs") requesting SAAs. Hydro One appreciates the fact that using the current process for SAA's associated with subdivisions, single customers or other municipal growth situations, the OEB has provided decisions in a very timely manner. The filing requirements that the OEB has now asked us to review would continue to effectively address these type of applications.

Hydro One comments were developed following our productive meeting held with Board staff on January 15, 2007 at which Board staff and Hydro One discussed both the specific SAA application requirements as well as the types of drivers that lead to SAA applications including LDC Plans for eliminating LTLTs and as a result of mergers, amalgamations, acquisitions and divestures (MAAD).

Hydro One is pleased that during our meeting it was clarified that it is not the intent of these proposed filing requirements to be applied to MAAD as currently stated in Section 7.0 of the proposal. We understand that the sentence referring to MAAD will be reworded in the final filing requirements.

As discussed at the meeting, there are some requirements that Hydro One would appreciate being amended or dropped in the final filing requirements, as listed in Section 2.0 below. There are also some concerns regarding the appropriateness of these robust filing requirements for applications driven by the board's directive to eliminate LTLTs, as discussed in Section 3.0 below.

**2.0 Hydro One's suggested changes to the proposed filing requirements as presented by the OEB on December 20, 2006.**

The following lists our suggested changes:

**Section 7.0** In the 5<sup>th</sup> paragraph MAADs are listed as a reason for a SAA application. As noted above, Hydro One recommends that this paragraph be re-worded to exclude MAADs.

**Section 7.0** In the 7<sup>th</sup> paragraph it describes the principles outlined in the decision related to RP-2003-0044. We suggest that the principle of customer preference be listed last as it is considered as a decision criteria only if all other criteria are considered equal.

**Section 7.1.4** Either maps or **diagrams** should be considered, whichever is appropriate for the specific application. Hydro One suggests the following wording change to this section:

*Provide one or more maps or diagrams of the proposed amendment area, which:*

**Section 7.1.4 a** To help distinguish between an application for a SAA involving a larger area versus an application for one or more individual customers in close proximity another section could be added as follows;

*For applications involving one or more individual customers in close proximity a diagram of location, present service territories and a pictorial description of the change should be provided.*

That is all that should be required for those applications.

**Section 7.1.4 b)** It would be very time and labour intensive to provide the detail regarding the systems as described in this section. Instead it is proposed to change this section to read;

*Shows the location of the proposed connection(s), the existing electrical facilities supplying the amendment area, as deemed by the applicant to be appropriate to assist the OEB in their decision making.*

**Section 7.1.6** SAAs should not be driven by an individual customer's preference for a certain supplier for many reasons. Therefore we recommend that the wording of this section take out the words "*one or more customers or*"

**Section 7.2** The last sentence of the first paragraph should include the word lowest as follows;

*"...and reflect the lowest long run economic cost of service to all parties, ..."*

**Section 7.2.1 c)** It would be very time and labour consuming to obtain the fully loaded connection costs and irrelevant if the distance for one LDC to service the customer or the available facilities of one LDC makes it obvious who is the least cost and therefore recommended LDC. Therefore Hydro One recommends removing this requirement.

**Section 7.2.1 e)** This is not applicable since only established rates are used for the customers and these are described in other areas of the application. Therefore Hydro One recommends removing this requirement.

**Section 7.3.1** This information is provided in previous sections of the application. Therefore Hydro One recommends removing this requirement.

**Sections 7.3.2 and 7.3.3** The words "*If applicable*" should be added to the beginning of each of these sections since in most cases reliability and service quality cannot be measured for individual situations and the costs and rates are described elsewhere.

**Section 7.3.4** This section is redundant as any impacts are described elsewhere. Therefore Hydro One recommends removing this requirement.

**Section 7.3.5, 7.3.6 and 7.3.13** These statements are not relevant to SAA applications. Any changes of ownership of assets require Section 86 application submissions. Therefore Hydro One recommends removing this requirement.

**Section 7.3.14** This information will be provided in the LDC's LTLT overall plan and is therefore not needed in these filing requirements. Therefore Hydro One recommends removing this requirement.

### **3.0 The applicability of these Filing Requirements for LTLT driven Applications**

As discussed at the meeting between Hydro One and OEB staff, the first step in meeting the requirement to eliminate LTLTs within each LDC's territory involves developing an overall plan. Once the overall plan has been approved it is our hope that the Board will be open to discussion regarding how these filing requirements can be further streamlined to facilitate timely decisions regarding the elimination of LTLTs in each LDC.

### **4.0 Conclusion**

Hydro One believes that these comments provide clarity and remove redundancy to your proposed filing requirements for SAA applications. Hydro One appreciates your efforts to streamline and standardize all applications submitted to the Board and look forward to working with you to attain this goal. Hydro One would be pleased to meet again with the Board staff to discuss any of our recommendations. If you have any questions or concerns please contact Ruth Greey at 416 345-6408.