



May 21, 2015

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

Dear Ms. Walli

Re: Electricity Distribution Service Area Amendment Application – E.L.K. Energy Inc. (O.E.B. Electricity Distributor Licence No. ED-2003-0015)

I am writing to request the Ontario Energy Board make an amendment to our Distribution Licence No. ED-2003-0015 to include the lot described below located at (Town of Lakeshore).

E.L.K. provides electricity distribution services to customers in the Towns of Essex, Lakeshore and Kingsville. The Town of Essex is the sole shareholder of the Applicant. Within those towns, which cover a large geographic area in southwestern Ontario, the applicant has six non-contiguous service areas, serving the former municipalities of Belle River, Comber, Cottam, Essex, Harrow and Kingsville. Hydro One Networks Inc. (“Hydro One”) is the electricity distributor for customers located beyond the boundaries of these six service areas.

E.L.K. is currently providing electrical servicing to 1 residential property located in the municipal boundaries of the Corporation of the Town of Lakeshore that is located in Hydro One’s licensed service area. Said property, to the best of our knowledge, was serviced by one of our predecessor companies. To date, E.L.K. continues to provide electrical service to this residential property. If the amendment is not granted for this property and the customer is transferred to the incumbent Distributor, they would become a load transfer. The Applicant is requesting the Application be approved.

Please find accompanying this letter 9 copies of our Service Area Amendment application for an Order bringing the land on which the Property is located into the E.L.K. distribution service area, together with an electronic copy of the same.

Regards,

Mark Danelon  
Director, Finance & Regulatory Affairs

Copies to: Doug Fraser, Account Executive Customer Business Relations, Hydro One Networks Inc.

Service Area Amendment Application

Hydro One Networks Inc.

And

E.L.K. Energy Inc.

May 21, 2015

## 7.0 Introduction

***This application for a Service Area Amendment is structured and follows the minimum filing requirement for SAA assigned by the Ontario Energy Board. The section numbers follow the filing requirement of the base reference.***

E.L.K. Energy (the “Applicant”) hereby applies to the Ontario Energy Board (the “OEB”) for an Order or Orders:

- a) Amending Schedule 1 of its Electricity Distribution Licence (No. ED-2003-0015) by including the land described at 7.1.3 to this Application;
- b) Excluding the land on which these said lands are located from the licenced service territory of Hydro One Networks Inc. (“Incumbent Distributor”); and
- c) Granting this relief in an expeditious manner without a hearing, pursuant to Subsection 21(4) of the Ontario Energy Board Act, 1998 (the “OEB Act”) as no person will be adversely affected by the outcome of this application.

The Applicant is a local electricity distribution company (an “LDC”) that distributes electricity to customers in the Towns of Essex, Kingsville and Lakeshore. The Corporation of the Town of Essex is the sole shareholder of the Applicant. Within those towns, which cover a large geographic area in southwestern Ontario, the Applicant has six non-contiguous service areas, serving the former municipalities of Belle River, Comber, Cottam, Essex, Harrow and Kingsville. Hydro One Networks Inc. (“Hydro One”) is the electricity distributor for customers located beyond the boundaries of these six service areas.

## 7.1 Basic Facts

### General

#### 7.1.1 (a)

***Provide the contact information for the applicant. Contact information includes the name, postal address, telephone number, and, where available, the email address and fax number of the person.***

The Applicant:

Mark Danelon  
Director, Finance & Regulatory Affairs  
172 Forest Avenue  
Essex, ON N8M 3E4  
Canada  
Telephone: 519-776-5291 ext 204  
Fax: 519-776-5640  
Email address: [mdanelon@elkenenergy.com](mailto:mdanelon@elkenenergy.com)

7.1.1 (b)

***Provide the contact information for the incumbent distributor. Contact information includes the name, postal address, telephone number, and, where available, the email address and fax number of the person.***

The Incumbent Distributor:

Pasquale Catalano  
Regulatory Analyst, Major Projects and Partnerships, Regulatory Affairs  
7<sup>th</sup> Floor, South Tower  
483 Bay Street  
Toronto, Ontario M5G 2P5  
Telephone: 416-345-5405  
Fax: 416-345-5866  
Email address: regulatory@HydroOne.com

7.1.1 (c)

***Provide every affected customer, landowner, and developer in the area that is the subject of the SAA Application. Contact information includes the name, postal address, telephone number, and, where available, the email address and fax number of the person.***

There is one affected customer in the area that is the subject of the SAA Application. E.L.K. is currently providing electrical servicing to 1 property located in the municipal boundaries of the Corporation of the Town of Lakeshore that is located in Hydro One's licensed service area. Said property, to the best of our knowledge, was serviced by one of our predecessor companies. Provided below is the contact information of this affected customer.

St. Clair Weld R. Hargreaves  
Optimist Workshop  
Belle River, ON N0R 1A0  
Tel.: 519-728-2434

7.1.1 (d) & (e)

***Provide any alternate distributor other than the applicant and the incumbent distributor, if there are any alternate distributors bordering on the area that is the subject of the SAA application; and any representative of the persons listed above including, but not limited to, a legal representative.***

Not applicable. There are no alternate distributors other than the applicant and the incumbent distributor.

### 7.1.1 (f) & (g)

***Indicate the reasons why this amendment should occur and identify any load transfers eliminated by the proposed SAA.***

The applicant has recently discovered that the existing property located adjacent 716 and 725 Optimist St is located within the Incumbent Distributor's service area. Said property was provided electrical service, prior to the incorporation of the Applicant in 2000, by one of the Applicant's predecessor distributors. To date, the applicant continues to provide electrical service to this property. If the amendment is not granted for this property and the customer is transferred to the Incumbent distributor they would become a load transfer.

### DESCRIPTION OF PROPOSED SERVICE AREA

#### 7.1.3

***Provide a detailed description of the lands that are subject of the SAA application. For SAA applications dealing with individual customers, the description of the lands should include the lot number, the concession number, and the municipal address of the lands. The address should include the street number, municipality and/or county, and postal code of the lands.***

***For SAA applications dealing with general expansion areas, the description of the lands should include the lot number and the concession number of the lands, if available, as well as a clear description of the boundaries of the area (including relevant geographical and geophysical features).***

The Applicant provides the following information in this regard:

Legal description of the land that is subject of this application;

- PT LT A CON 1 WBR Maidstone as in R1444824; Lakeshore  
PIN: 75034-0093

#### 7.1.4

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

#### **Attachment 1.1: Actual Lots Subject of the SAA Application**

The area shaded in green depicts the actual lot which is subject of the SAA application.

#### **Attachment 1.2: Existing Licensed Service Areas**

The area shaded in green depicts the Applicants Belle River Service Area in the proximity of the area subject of the SAA application. The area shaded in red depicts the Incumbent Distributor's service area in the proximity of the area subject of the SAA application.

**Attachment 1.3: E.L.K. Energy's Belle River Service Area in Relation to the Area Subject of the SAA Application**

The area shaded in light green depicts the Applicants Belle River Service Area. The area shaded in dark green depicts the area subject of the SAA application. The Incumbent Distributor's service area is left white for ease of reference.

**7.1.4 (a)**

***Borders of the applicant's service area***

Please reference Attachment 1.2 and Attachment 1.3 as well as the detailed descriptions for both attachments provided in Section 7.1.4 of the application.

**7.1.4 (b)**

***Borders of the incumbent distributor's service area***

Please reference Attachment 1.2 and Attachment 1.3 as well as the detailed descriptions for both attachments provided in Section 7.1.4 of the application.

**7.1.4 (c)**

***Borders of any alternate distributor's service area***

Not applicable

**7.1.4 (d)**

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

**As can be seen in Attachment 1.1: Actual Lots Subject of the SAA Application**

The area to the North, East and West is mainly residential. To the South is mainly residential and commercial.

**7.1.4 (e)**

***Geographical and geophysical features of the area including, but not limited to, rivers and lakes, property borders, roads, and major public facilities.***

**As can be seen in Attachment 1.3: E.L.K. Energy's Belle River Service Area in Relation to the Area Subject of the SAA Application**

The lots front onto Optimist Street and the area is loosely bound by the following roads: County Road 22, West River Street and Caille Ave. In addition, there is a VIA Railroad to the north of the said property.

#### 7.1.4 (f)

***Existing facilities supplying the area that is the subject of the SAA application, if applicable, as well as the proposed facilities which will be utilized by the applicant to supply the area that is the subject of the SAA application (Note: if the proposed facilities will be utilized to also provide for expansion of load in the area that is the subject of the SAA application, identify that as well)***

The Applicant is currently servicing the lot subject to the SAA application. Said lot was previously serviced by one of the applicants' predecessor LDC's.

#### 7.1.5

***Provide a description of the proposed type of physical connection (i.e., individual customer; residential subdivision, commercial or industrial development, or general service area expansion).***

The customer connection will be an individual customer.

#### 7.1.6

***Provide a description of the applicant's plans, if any, for similar expansions in lands adjacent to the area that is the subject of the SAA application. Provide a map or diagram showing the lands where expansions are planned in relation to the area that is the subject of the SAA application.***

The applicant has no plans for any similar expansions in lands adjacent to the area that is the subject of the SAA application.

### 7.2 EFFICIENT RATIONALIZATION OF THE DISTRIBUTION SYSTEM

***The proposed SAA will be evaluated in terms of rational and efficient service area realignment. This evaluation will be undertaken from the perspective of economic (cost) efficiency as well as engineering (technical) efficiency.***

***Applicants must demonstrate how the proposed SAA optimizes the use of existing infrastructure. In addition, applicants must indicate the long term impacts of the proposed SAA on reliability in the area to be served and on the ability of the system to meet growth potential in the area. Even if the proposed SAA does not represent the lowest cost to any particular party, the proposed SAA may promote economic efficiency if it represents the most effective use of existing resources and reflects the lowest long run economic cost of service to all parties.***

## 7.2.1 ECONOMIC AND ENGINEERING EFFECIENCY

***In light of the above, provide a comparison of the economic and engineering efficiency for the applicant and the incumbent distributor to serve the area that is the subject of the SAA application. (NOTE: (a), (b), (c), (d), (e), (f), (g), (h),)***

### 7.2.1 (a)

***Location of the point of delivery and the point of connection***

#### **For the Lots depicted in attachment 1.1:**

The delivery point is located adjacent 500 West Belle River Road. The connection point is 1.742 Km's North of the delivery point.

### 7.2.1(b)

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

The existing connection is immediately adjacent, and currently connected to, a well-developed electricity distribution system.

### 7.2.1 (c)

***The fully allocated connection costs for supplying the customer (i.e., individual customers or developers) unless the applicant and the incumbent distributor provide a reason why providing the fully allocated connection costs is unnecessary for the proposed SAA. (Note: the Board will determine if the reason provided is acceptable).***

Not applicable.

### 7.2.1(d)

***The amount of any capital contribution required from the customer***

As the customer is currently connected there is no capital contribution required to connect the customer.



**7.2.1(e)**

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

Not applicable.

**7.2.1(f)**

***Information on whether the proposed SAA enhances, or at a minimum does not decrease, the reliability of the infrastructure in the area that is the subject of the SAA application and in regions adjacent to the area that is the subject of the SAA application over the long term.***

The proposed SAA neither enhances nor decreases the reliability of the infrastructure in the area that is subject of the SAA application.

**7.2.1(g)**

***Information on whether the proposed infrastructure will provide for cost-efficient expansion if there is growth potential in the area that is the subject of the SAA application and in regions adjacent to the area that is the subject of the SAA application.***

There is no growth potential beyond the area that is subject of the SAA application.

**7.2.1(h)**

***Information on whether the proposed infrastructure will provide for cost-efficient improvements and upgrades in the area that is the subject of the SAA application and in regions adjacent to the area that is the subject of the SAA application.***

Not applicable.

**7.3 IMPACTS ARISING FROM THE PROPOSED AMENDMENT**

**7.3.1**

***Identify any affected customers or landowners.***

St. Clair Weld R. Hargreaves  
Optimist Workshop  
Belle River, ON N0R 1A0  
Tel.: 519-728-2434

### 7.3.2

***Provide a description of any impacts on costs, rates, service quality, and reliability for customers in the area that is the subject of the SAA application that arise as a result of the proposed SAA. If an assessment of service quality and reliability impacts cannot be provided, explain why.***

There will be no adverse impact as a result of this proposed service area amendment as E.L.K. continues to provide electrical service to this residential property. If the amendment is not granted for this property and the customer is transferred to the incumbent Distributor, they would become a load transfer.

### 7.3.3

***Provide a description of any impacts on costs, rates, service quality, and reliability for customers of any distributor outside the area that is the subject of the SAA application that arise as a result of the proposed SAA. If an assessment of service quality and reliability impacts cannot be provided, explain why.***

There will be no adverse impact as a result of this proposed service area amendment.

### 7.3.4

***Provide a description of the impacts of each distributor involved in the proposed SAA. If these impacts have already been described elsewhere in the application, providing cross-references is acceptable.***

See section 7.2.1 (f) of this application.

### 7.3.5

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

Not applicable. There will be no assets stranded or become redundant if this application is granted.

### 7.3.6

***Identify any assets that are proposed to be transferred to or from the applicant. If an asset transfer is required, has the relevant application been filed in accordance with section 86 of the Act? If not, indicate when the applicant will be filing the relevant section 86 application.***

No assets are proposed to be transferred to or from the Applicant.

### 7.3.7

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

No existing customers are proposed to be transferred to or from the Applicant by this Application.

### 7.3.8

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

No existing load transfers or retail points of supply are proposed by this application.

### 7.3.9

***Identify any new load transfers or retail points of supply that will be created as a result of the proposed SAA. If a new load transfer will be created, has the applicant requested leave of the Board in accordance with section 6.5.5 of the distribution System Code ("DSC")? If not, indicate when the applicant will be filing its request for leave under section 6.5.5 of the DSC with the Board. If a new retail point of supply will be created, does the host distributor (i.e. the distributor who provides electricity to an embedded distributor) have an applicable Board approved rate? If not, indicate when the host distributor will be filing an application for the applicable rate.***

No additional load transfers or retail points of supply are proposed by this application.

## EVIDENCE OF CONSIDERATION AND MITIGATION OF IMPACTS

### 7.3.10

***Provide written confirmation by the applicant that all affected persons have been provided with specific and factual information about the proposed SAA. As part of the written confirmation, the applicant must include details of any communications or consultations that may have occurred between distributors regarding the proposed SAA.***

The applicant has recently discovered that the existing property located adjacent 716 and 725 Optimist St is located within the Incumbent Distributor's service area. Said property was provided electrical service, prior to the incorporation of the Applicant in 2000, by one of the Applicant's predecessor distributors. To date, the applicant continues to provide electrical service to this property. If the amendment is not granted for this property and the customer is transferred to the Incumbent distributor they would become a load transfer.

### 7.3.11

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

Not Applicable

### 7.3.12

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

Not applicable

### 7.3.13

***Provide evidence of attempts to mitigate impacts where customer and/or asset transfers are involved (i.e., customer rate smoothing or mitigation, and compensation for any stranded assets).***

Not applicable. No asset transfers are involved.

## 7.4 CUSTOMER PREFERENCE

### 7.4.1

***An applicant who brings forward an application where customer choice may be a factor must provide a written statement signed by the customer (which includes landowners and developers) indicating the customer's preference.***

The applicant has recently discovered that the existing property located adjacent 716 and 725 Optimist St is located within the Incumbent Distributor's service area. Said property was provided electrical service, prior to the incorporation of the Applicant in 2000, by one of the Applicant's predecessor distributors. To date, the applicant continues to provide electrical service to this residential property. If the amendment is not granted for this lot and the customer is transferred to the Incumbent distributor they would become a load transfer.

## 7.5 ADDITIONAL INFORMATION REQUIREMENTS FOR CONTESTED APPLICATIONS

***If there is no agreement among affected persons regarding the proposed SAA, the applicant must file the additional information set out below.***

### 7.5.1

***If the application was initiated due to an interest in service by a customer, landowner, or developer, evidence that the incumbent distributor was provided an opportunity to make an offer to connect that customer, landowner, or developer.***

Not applicable.

#### 7.5.2

***Evidence that the customer, landowner, or developer had the opportunity to obtain an offer to connect from the applicant and any alternate distributor bordering on the area that is the subject of the SAA application.***

Not applicable.

#### 7.5.3

***Actual copies of, as well as a summary of, the offers(s) to connect documentation (including any associated financial evaluations carried out in accordance with Appendix B of the Distribution System Code). The financial evaluations should indicate costs associated with the connection including, but not limited to, on-site capital, capital required to extend the distribution system to the customer location, incremental up-stream capital investment required to serve the load, the present value of incremental OM & A costs and incremental taxes as well as the expected incremental revenue, the amount of revenue shortfall, and the capital contribution requested.***

Not applicable.

#### 7.5.4

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

Not applicable.

#### 7.5.5

***A detailed comparison of the new or upgraded electrical infrastructure necessary for each distributor to serve the area that is the subject of the SAA application, including any specific proposed connections.***

Not applicable.

### 7.5.6

***Outage statistics or, if outage statistics are not available, any other information regarding the reliability of the existing line(s) of each distributor that are proposed to supply the area that is the subject of the SAA application.***

E.L.K.'s system reliability measures were obtained from the most recent OEB published scorecard. These two measures included the average number of hours that power to a customer is interrupted and the average number of times that power to a customer is interrupted. E.L.K.'s results of 1.05 and 0.44 respectively are well within the distributor target required. Hydro One's results of 26.57 and 4.23 respectively are both outside of the approved distributor's target.

### 7.5.7

***Quantitative evidence of quality and reliability of service for each distributor for similar customers in comparable locations and densities to the area that is the subject of the SAA application.***

In addition to the system reliability measures discussed in 7.5.6 above, there are three service quality performance indicators from the OEB scorecard, those being (1) new residential/small business services connected on time, (2) scheduled appointments met on time and (3) telephone calls answered on time. E.L.K.'s results are 94.4%, 96.20% and 97.40% respectively. Hydro One's results are 97.40%, 98.40% and 63.90% respectively.

### 7.6 OTHER

***It is the sole responsibility of the Applicant to provide all information that is relevant and that would assist the Board in making a determination in this matter. Failure to provide key information may result in a delay in the processing of the application or in the denial of the application.***

### 7.7 WRITTEN CONSENT

E.L.K. Energy Inc. consents to all the statements made in this application

\_\_\_\_\_  
Mark Danelon, Director, Finance & Regulatory Affairs  
E.L.K. Energy Inc.  
Dated:\_\_\_\_\_

### 7.8 REQUEST FOR NO HEARING

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

- (a) An explanation as to how no person, other than the applicant and the proposed recipient, will be adversely affected in a material way by the outcome of the proceeding AND
- (b) The proposed recipient's written consent to the disposal of the application without a hearing

- (a) There will be no adverse impacts on existing customers as this application.
- (b) E.L.K. Energy Inc. requests that the Board dispose of this proceeding without a hearing under Section 21(4)(b) of the Act.

\_\_\_\_\_  
Mark Danelon, Director, Finance & Regulatory Affairs

E.L.K. Energy Inc.

Dated: \_\_\_\_\_



# Lakeshore Mapping



### Legend

- Parcel
- Street Centreline
- <all other values>
- CNTY
- LAK
- PRIV
- PROV

1:7,215



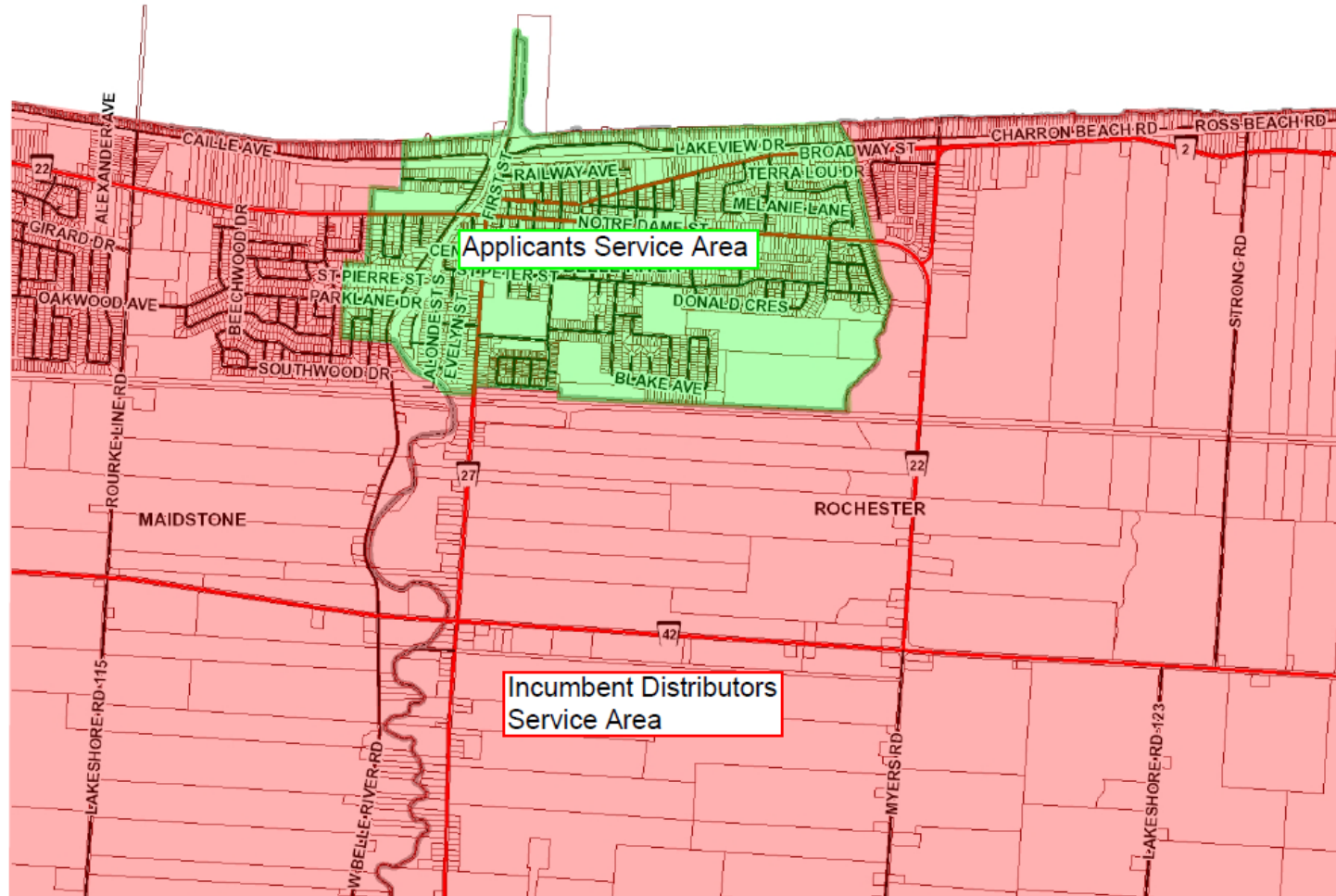
This map is a user generated static output from an internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable. THIS MAP IS NOT TO BE USED FOR NAVIGATION

Notes:





# Lakeshore Mapping



### Legend

- Parcel
- Street Centreline
- <all other values>
- CNTY
- LAK
- PRIV
- PROV
- Former Municipal Boundarie

1: 33,307



### Notes:

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Lakeshore Mapping



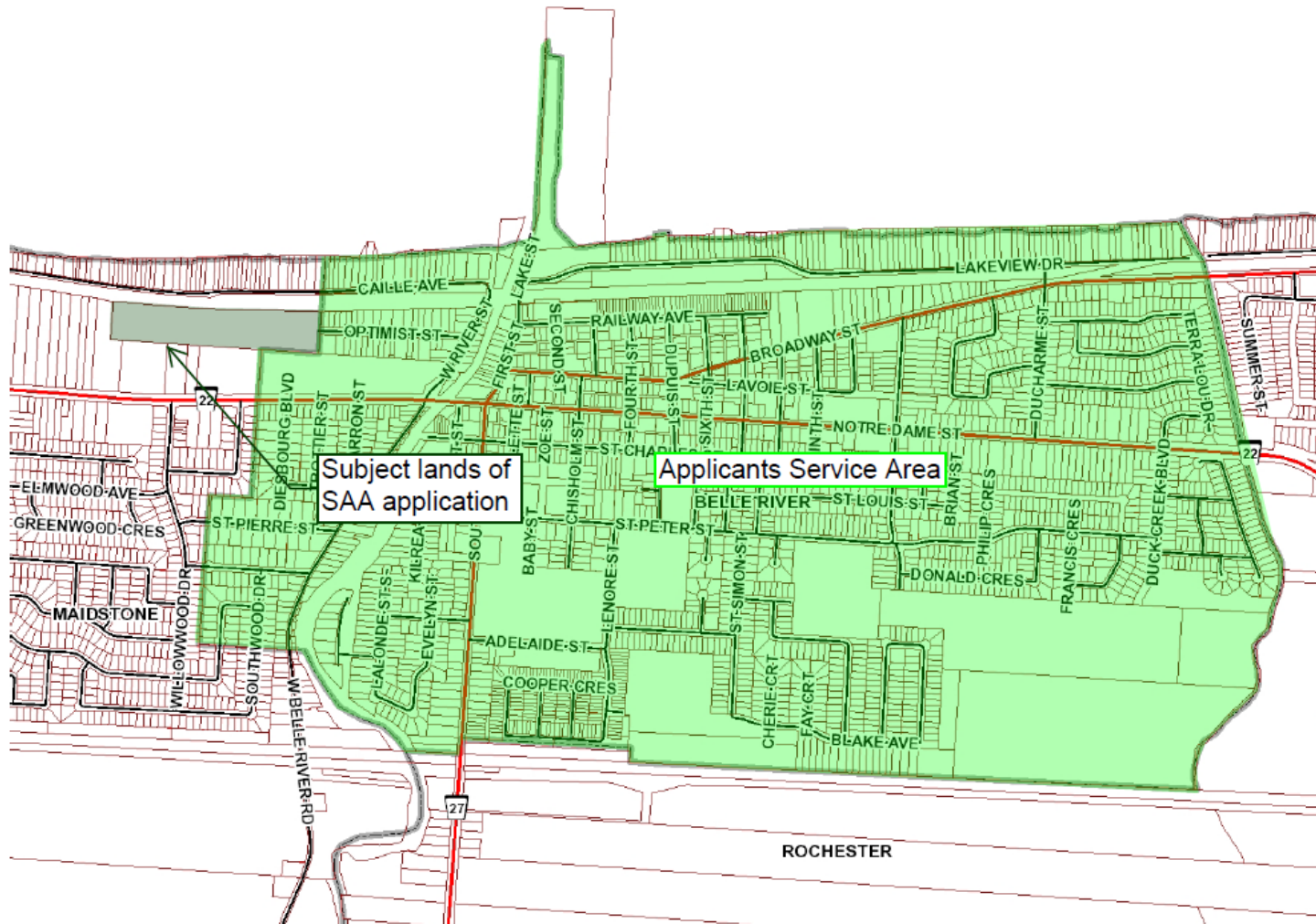
Legend

- Parcel
- Street Centreline
- <all other values>
- CNTY
- LAK
- PRIV
- PROV
- Former Municipal Boundarie

1: 16,653



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Notes:

