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BY COURIER

November 18, 2016

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

Dear Ms. Walli:

EB-2016-0155 – E.L.K. Energy Inc. Service Area Amendment Application – Hydro One Networks Inc. Final Submission

In accordance with Procedural Order 2, please find attached Hydro One Networks Inc.'s Final Submission.

An electronic copy of this cover letter and submission has been filed through the Ontario Energy Board's Regulatory Electronic Submission System (RESS).

Sincerely,

ORIGINAL SIGNED BY JOANNE RICHARDSON

Joanne Richardson

Attach

c/ Parties to EB-2016-0155 (Electronic only)

HYDRO ONE NETWORKS INC.'S FINAL SUBMISSIONS

1.0 Introduction

E.L.K. Energy Inc. (“E.L.K.”) filed an application to the Board on April 12, 2016 to amend its licensed service area pursuant to Section 74 of the *Ontario Energy Board Act, 1998* to include lands owned by Sellick Equipment Ltd. (“**Sellick**” or “**the Customer**”) and 1710690 Ontario Inc. (“**the Developer**”). These lands are currently included in Hydro One Networks’ service territory.

Hydro One is contesting this Application and submits that E.L.K. has failed to prove that this service area amendment (“**SAA**”) is in the public interest. Hydro One therefore submits that the proposed SAA should be denied.

“A service area amendment is an amendment to Schedule 1 of a distributor’s licence. Schedule 1 of a distributor’s licence is the part of the licence that defines the distributor’s service area. Section 74(1) of the Act allows the Board to amend the distributors’ licences where the amendment is in the public interest”¹.

Hydro One submits that the unnecessary ‘build out’ of a distributor’s infrastructure should be discouraged by the Board, especially in this type of situation; where the Applicant’s proposal does not promote economic efficiency in the distribution of electricity. Hydro One submits that any costs imprudently incurred by E.L.K. to date, in order to connect Sellick, should also be considered in evaluating the economic efficiency and cost effectiveness of the proposed SAA. The costs associated with the relocated pole and any agreements with the municipality pertaining to such, illustrate the lack of consultation that was undertaken by E.L.K. regarding this SAA. E.L.K.’s lack of concern for the incumbent distributor and unwillingness to mitigate the impacts associated with the proposed SAA should not, in any way, benefit E.L.K.

Hydro One’s final submission on this Application is guided by the OEB *Filing Requirements for Service Area Amendment Applications – Chapter 7 of the Filing Requirements for Electricity Transmission and Distribution Applications*, which have been in effect since March 12, 2007² (“**OEB Filing Requirements**”). Hydro One’s intent in this submission is not an exhaustive assessment of every OEB Filing Requirement that E.L.K. has failed to meet but strictly to utilize the OEB Filing Requirements to help illustrate the shortcomings of this SAA.

¹ Ontario Energy Board Filing Requirements for Service Area Amendment Applications – March 12, 2007 – Page 1

² The filing requirements set out in this chapter do not limit the discretion of the Board in terms of what information and evidence it may wish to see during the course of a proceeding. The filing requirements set out in this chapter are also not intended to limit the applicants in terms of what information they may wish to file in addition to the information **required** (emphasis added) by this chapter - Ontario Energy Board Filing Requirements for Service Area Amendment Applications – March 12, 2007 – Page 4

2.0. Efficient Rationalization of the Distribution System – Section 7.2 of the OEB Filing Requirements

E.L.K.'s proposed SAA requests to amend Schedule 1 of the E.L.K. distribution licence to include lands owned by the Customer and 1710690 Ontario Inc. ("**the Developer**") even though there has never actually been an Offer to Connect requested by the Developer³.

Section 7.2 of the OEB Filing Requirements provides guidance pertaining to how any proposed SAA will be evaluated.

"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"⁴.

First and foremost, from a technical connection standpoint, the Customer will be served from Hydro One's owned M7 feeder. As outlined in Hydro One's intervenor evidence, Hydro One owns the Kingsville M7 feeder⁵. Since E.L.K. is an embedded distributor to Hydro One⁶, there are no long-term impacts related to reliability that need to be considered in this Application, as the Hydro One M7 feeder will be utilized regardless of which LDC serves the Customer⁷. Based on the evidentiary record, Hydro One is the current geographic distributor, and, more importantly, the current physical distributor for this area as defined by the Distribution System Code.

Contrary to E.L.K.'s assertion throughout this proceeding, E.L.K. will not be using existing infrastructure to complete this connection. In the face of this contested SAA, E.L.K. relocated assets further into a territory they are not licensed to be in without OEB approval and without consulting Hydro One, the licensed distributor of the area. The relocated assets are conveniently situated closer to the proposed Customer connection⁸. In the process of relocating these assets, E.L.K. also installed new assets⁹. E.L.K. argues that these supposed non-discretionary relocation costs had to be incurred regardless of the Customer and that they ultimately drive down the connection costs borne by the Customer. This

³ E.L.K. Response to HONI Interrogatory 5c – September 8, 2016

⁴ Ontario Energy Board Filing Requirements for Service Area Amendment Applications – March 12, 2007 – Page 4-5

⁵ Hydro One Intervenor Evidence – September 22, 2016 – Page 4-5

⁶ E.L.K. Prefiled Evidence – June 21, 2016 – Section 7.5.6

⁷ E.L.K. Prefiled Evidence – April 12, 2016 – Section 7.5.6 and 7.5.7

⁸ E.L.K. Response to Hydro One Interrogatory 4a – September 8, 2016

⁹ E.L.K. Interrogatory Response to Board Staff Interrogatory 1ii, Appendix 5 – November 10, 2016

decreased connection cost, in concert with the Customer receiving lower delivery charges, is what E.L.K. represents as economic efficiency¹⁰. Hydro One firmly disagrees and submits that this individualistic, customer-specific assessment of economic efficiency fails to assess the impact of the proposed SAA on all parties, predominantly with respect to the long run economic impact of the SAA. Hydro One submits that E.L.K.'s comparisons to date have been narrowly focused on the mere connection price quoted to the Customer and have failed to assess the fully allocated costs of supplying the Customer as required in section 7.2.1 (c) of the OEB Filing Requirements.

During the second round of interrogatories OEB Staff requested E.L.K. update cost comparisons with the pole relocation costs such that the cost comparisons represented all itemized costs (or fully allocated costs per the OEB Filing Requirements¹¹). E.L.K. refused, suggesting that these costs did not pertain to the Sellick connection¹². Though Hydro One agrees these costs should not be recovered from Sellick directly, Hydro One sought clarity on whether or not E.L.K. agreed that indirect costs must be included in an economic efficiency assessment. E.L.K. responded that no definition of indirect costs was provided, and assumed the question was limited to indirect costs associated with the pole relocation, and that such costs should not be included in an assessment of economic efficiency¹³. Hydro One disagrees.

In assessing economic efficiency, since the Combined Proceeding Decision (RP-2003-0044) the OEB has made it clear that:

*"In all instances, the costs associated with the connection should be the fully loaded costs, which capture all of the **relevant indirect** (emphasis added) and direct costs **reasonably associated with the project at issue** (emphasis added), not merely the price of connection quoted to the prospective connection customer¹⁴".*

Hydro One submits that the relevant indirect costs that can be reasonably associated with the project at issue include the annual incremental ST charges at Kingsville TS that will be charged to E.L.K. as well as the existing E.L.K. asset relocation costs. These indirect costs and their economic impact on the economic efficiency assessment of the SAA are described in more detail below.

Indirect Long Run Costs – Hydro One's Expected Incremental Charges to E.L.K. at Kingsville TS

As confirmed by E.L.K. during the interrogatory process, there is approximately \$125,000¹⁵ annually that E.L.K. would have to pay Hydro One as an embedded LDC¹⁶. Of this \$125,000, E.L.K. expects to collect a

¹⁰E.L.K. Cover Letter In Response to OEB Incomplete Application Letter – June 21, 2016 – Page 1

¹¹ Ontario Energy Board Filing Requirements for Service Area Amendment Applications – March 12, 2007 – Page 6

¹² E.L.K. Response to OEB Staff 2a)i – November 10, 2016

¹³ E.L.K. Response to Hydro One Interrogatory 2b) – November 10, 2016

¹⁴ RP-2003-0044 - OEB Decision and Order – February 27, 2004 – Paragraph 236

¹⁵ Assuming 100% of the Sellick load contributes to the E.L.K. aggregate peak demand at Kingsville TS

¹⁶ E.L.K. Response to Hydro One Interrogatory 1b) – November 10, 2016

maximum of approximately \$420/year from the Customer¹⁷. The remainder of the annual \$125,000 incremental charge will be recovered from every other E.L.K. ratepayer.

“...the resulting Low Voltage Service Rate for the General Service 50 to 4,999 kW class is \$0.4555/ kW. The difference in LV service rate between \$0.4555/kW and \$0.4332/kW is \$.0223/kW... This means of the \$22,000 of additional LV charges Sellick will pay \$343.90 per year of this amount and other E.L.K ratepayers will the difference...The \$89,000 will be distributed to each rate class and the amount assigned to Sellick will be the amount already included in the Base Case”¹⁸.

These new projections contradict E.L.K.’s original assessment that there will be “no 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 SAA¹⁹”. Every single E.L.K. ratepayer will be impacted by the proposed E.L.K. SAA. Every single E.L.K. ratepayer will have to contribute to subsidize the annual incremental \$125,000 charge that will be charged to E.L.K in order to complete this SAA. These additional costs would not exist if the Customer is connected to Hydro One. Hydro One fails to see how this would promote the economic efficiency and cost effectiveness in the distribution of electricity and protect the interest of customers.

Additionally, it is important to note that the \$125,000 incremental ST charge and the consequential rate projections provided by E.L.K. are limited to the incremental impact caused by the expected load profile of only one customer, Sellick. As documented throughout this Application, Sellick is the only customer to date that has requested an Offer to Connect (“**OTC**”) and the only customer that has provided any loading profile details that can be relied upon by either distributor. There has never been an OTC requested by the Developer, i.e., no loading profiles were ever provided for these potential future customers. Consequently, the potential incremental ST charge to E.L.K of \$125,000 annually at Kingsville TS does not include load profiles attributed to any future customers associated with the Developer lands. If these future customers do ultimately request an OTC and E.L.K. connects them, the future customers respective load profiles will potentially further increase Hydro One’s incremental charges to E.L.K.. As a result, contrary to what has been proposed by E.L.K. in prefiled evidence²⁰, the proposed SAA does not provide for cost-efficient expansion if there is load growth potential in the area. Future load growth exacerbates the negative economic effect of proceeding with this SAA. Hydro One submits that the indirect incremental ST charges that will be charged to E.L.K. by Hydro One are extremely relevant and significantly impact the long run incremental economic efficiency of the Application. These costs should be included in any economic efficiency assessment undertaken by the Board in its comparison of the competing OTCs in this proceeding.

¹⁷ E.L.K. Response to Hydro One Interrogatory 1a) – November 10, 2016

¹⁸ E.L.K. Response to Hydro One Interrogatory 1b) – November 10, 2016

¹⁹ E.L.K. Prefiled Evidence – June 21, 2016 – Section 7.3.3

²⁰ E.L.K. Prefiled Evidence – June 21, 2016 – Section 7.2.1 (g)

E.L.K. suggests in the interrogatory response process that Hydro One would have to pay a similar charge to E.L.K. as an embedded distributor rate because “...(Hydro One would be) an Embedded Distributor of E.L.K.”²¹. Hydro One has had no opportunity to test this response in this proceeding but submits that this is a completely inaccurate representation of fact. As outlined in previous versions of E.L.K.’s evidence, E.L.K. admits that E.L.K. is an embedded distributor of Hydro One²² - not the other way around. Hydro One owns the M7 feeder that either LDC will utilize to service the Customer²³ - not E.L.K. As a result, contrary to E.L.K.’s suggestion, the OEB does not need to assess how the suggested E.L.K. incremental charges would flow through the Hydro One rate models to assess economic impacts because there will not be any incremental charges to assess. In other words, on a net basis, E.L.K. is not billing Hydro One any delivery charges. As outlined in Hydro One’s interrogatory responses, there is no regulated delivery charge that Hydro One is aware of that would allow an embedded LDC to charge Hydro One for utilizing Hydro One’s own physical plant²⁴. To do so would be inefficient at best. The only incremental embedded distributor charges that need to be assessed by the Board in this proceeding are those that will be charged to E.L.K. as an embedded LDC of Hydro One. These costs have been brought forward in the intervenor evidence of Hydro One, and were confirmed by the Applicant to be approximately \$125,000 annually in order to complete an E.L.K. connection of Sellick.

Indirect Costs – Existing Asset Relocation Costs

Much has been discussed in this proceeding regarding the relevance of the costs pertaining to the pole relocation work that E.L.K. undertook between July 18, 2016 and July 29, 2016²⁵ – more than three months after filing this SAA that did not receive consent of the incumbent distributor. As a result Hydro One believes it is necessary to provide a brief summary of the evidence on record.

E.L.K. states they “...moved the pole as requested by the developer”²⁶, and that these costs had to be incurred to complete the Clark Street extension. E.L.K. has confirmed that the first time they informed Hydro One of the proposed E.L.K. pole relocation was with the filing of this SAA on April 12, 2016²⁷. E.L.K. has confirmed that meetings were held with the municipality regarding this project on April 1, 2016, May 31, 2016, and June 20, 2016²⁸; Hydro One as the licenced distributor for these lands was not privy to any of these meetings. E.L.K. and Hydro One confirm that there was an on-site meeting between E.L.K. and Hydro One on May 31, 2016 – the same day as one of E.L.K.’s meetings with the municipality. The purpose of the on-site meeting was to verify clearances regarding the potential pole relocation²⁹. E.L.K. has relied upon this on-site meeting, in concert with an email from Hydro One³⁰, to

²¹ E.L.K. Response to Hydro One Interrogatory 1b) – November 10, 2016

²² E.L.K. Prefiled Evidence – June 21, 2016 – Section 7.5.6

²³ Hydro One Intervenor Evidence – September 22, 2016 – Page 4-5

²⁴ Hydro One Response to E.L.K. Interrogatory 2 Subsection 3 – October 20, 2016

²⁵ E.L.K. Response to Hydro One Interrogatory 3a – November 10, 2016

²⁶ E.L.K. Updated Evidence – October 6, 2016 – Section 3

²⁷ E.L.K. Response to Hydro One Interrogatory 3j – November 10, 2016

²⁸ E.L.K. Response to Hydro One Interrogatory 3b – November 10, 2016

²⁹ E.L.K. Response to Hydro One Interrogatory 4h – November 10, 2016

illustrate consultation efforts with Hydro One and to potentially illustrate some sort of concurrence on Hydro One's part with the pole relocation work. E.L.K. suggests that "despite being fully aware of the intended pole relocation, at no time did Hydro One object to E.L.K.'s plan to complete the work until now, when Hydro One hopes to gain a potential advantage by further complicating this SAA"³¹.

As outlined in the OEB Filing Requirements, the onus is on an applicant to provide a letter from the incumbent distributor in which the incumbent distributor states that it consents to the application³². E.L.K. never received that consent from Hydro One. Consequently, Hydro One's refusal to support this Application, should not be regarded as new as E.L.K. is suggesting. As the record indicates, Hydro One has never supported this Application since it has been filed.

It is important to establish that E.L.K. has unilaterally assessed that the relocation work was necessary to complete the development. Hydro One does not agree with the prudence of these incurred costs. Hydro One provided three alternatives that could have been explored in lieu of the option undertaken by E.L.K.³³. No evidence is on the record to confirm or deny that any of the alternatives provided by Hydro One were explored prior to proceeding with the existing asset relocation work. None of the options provided by Hydro One were discussed and assessed by E.L.K. with Hydro One prior to undertaking the pole relocation work. E.L.K. suggests that they did explore alternatives³⁴ though it has never been documented in this Application as to what those alternatives were, what criteria was used to assess each alternative and what cost/benefit each alternative provided. Moreover, it is important to be cognizant of the fact that E.L.K. undertook to relocate its existing assets between July 18 and July 29, 2016, before E.L.K. even received the final loading of 1.2 MW from the Customer; that information was provided by the Customer on July 26, 2016³⁵.

E.L.K. argues that they did consult with Hydro One on the pole relocation work. E.L.K. cites email correspondence from Hydro One dated May 27, 2016 to imply Hydro One's concurrence with the unilateral decision that E.L.K. could place their pole further into Hydro One service territory. Specifically referenced in E.L.K.'s most recent submissions is Bullet 5 of the email where Hydro One writes:

"Hydro One has not received the final approved plan for this subdivision and final design of the intersection, so (E.L.K.) is to run that down and supply it to Hydro One. We need to meet on site and discuss where each company will their poles for design as ELK's existing pole needs to stay on the west side of the road as it currently is supplying power

³⁰ E.L.K. Updated Evidence – October 6, 2016 -

³¹ E.L.K. Response to Hydro One Interrogatory 3h – November 10, 2016

³² Ontario Energy Board Filing Requirements for Service Area Amendment Applications – March 12, 2007 – Section 7.3.11

³³ Hydro One Response to Board Staff Interrogatory 2a – October 20, 2016

³⁴ E.L.K. Response to Hydro One Interrogatory 3e – November 10, 2016

³⁵ E.L.K. Updated Evidence – October 6, 2016 – Section 1

on Clark st and the electrical configuration at this corner was designed the way it currently is due to large truck traffic at that corner”³⁶.

E.L.K. states that if Hydro One did not agree with this correspondence then Hydro One should have raised objections³⁷. Hydro One states that the spirit of the email served as a Meeting Minute Log/Action Items List, not as any agreement between the parties. If it were some form of concurrence between LDCs, then E.L.K. would not be arguing the applicability of pole relocation costs in this proceeding since the last sentence of Bullet 1 of the same very email reads as follows:

“If poles need to be changed, those costs need to be added to (E.L.K.’s) costs for (Hydro One) to compare costs for economic efficiency”³⁸.

Again, Hydro One states that this specific email was intended to be utilized as a Meeting Minute Log/Action Items List, not as any agreement between the parties.

The relocation of these assets is important to the assessment of economic efficiency because the relocation of the assets was planned with the SAA lands in mind. These assets are not existing in the sense of *as is, where is*. The relocation was not a mere coincidence. These relocated assets have decreased costs that would have otherwise been borne by the Customer, as documented by E.L.K. “If the pole relocation had not been completed...the customer owned primary underground service would be approximately 15m longer there by increasing their service cost slightly”³⁹.

For all these reasons, Hydro One submits that the pole relocation costs incurred by E.L.K. should be considered as part of the economic efficiency assessment regarding this SAA.

What to Do With Relocated Asset Work if Application is Not Approved

E.L.K. submits that E.L.K. must maintain ownership of the relocated assets in order to serve customers to the east of Roseborough⁴⁰. Hydro One submits that an alternative does exist. If the Board determines that this SAA should not be approved and the Board does not want further costs incurred to remove the relocated E.L.K. assets, Hydro One submits that the following could occur:

- Hydro One would install a set of demarcation switches on the conductor on the west side of the new ELK pole located on Clark St. east of Roseborough Rd.
- Hydro One would obtain ownership of the relocated pole, flying taps and conductor from the newly installed demarcation switches west into Hydro One territory to the relocated pole. Hydro One submits that this transfer should be done at no cost to Hydro One but is willing to pay NBV for these assets.

³⁶ E.L.K. Update Evidence – October 6, 2016 – Exhibit 2

³⁷ E.L.K. Response to Hydro One Interrogatory 3i – November 10, 2016

³⁸ E.L.K. Response to Hydro One Interrogatory 3i – November 10, 2016

³⁹ E.L.K. Response to Hydro One Interrogatory 2e – November 10, 2016

⁴⁰ E.L.K. Prefiled Evidence – June 21, 2016 – Attachment 1.4

- E.L.K. and Hydro One would update the existing connection agreement to reflect above.

This solution would be consistent with Alternative 3 provided in Hydro One's interrogatory response to Board Staff 2⁴¹. It would allow Hydro One to service Sellick while E.L.K. will continue to service E.L.K. customers on the east side of Roseborough and maintain the defined service area boundary between the two LDCs.

Transfer of the Lands Owned by 1710690 Ontario Inc. - Vacant Land

Hydro One firmly disagrees that the vacant lands currently owned by the Developer can be transferred without any ability for the Board to conduct an economic efficiency assessment and has highlighted such in the intervenor evidence⁴². This is consistent with previous OEB decisions⁴³ and the OEB's Combined Proceeding Decision that stated:

*"Amendments need to be anchored by real customers, with an economic case for the extension that is convincing"*⁴⁴.

However, even if the Board were to assess the Application on the face of what has been requested, specifically the transfer of the lands owned by the Developer, it is difficult to understand how the pole relocation costs would not be pertinent. If E.L.K.'s Application is that the Developer lands should be transferred then the costs associated with their development, namely the existing asset relocation work, should be included in the economic assessment.

3.0 Evidence of Consideration and Mitigation Impacts – Section 7.3.10, 7.3.11, and 7.3.12

E.L.K. has argued that it had to relocate poles further into Hydro One's territory and it was just being "responsive to a customer's stated needs and preferences"⁴⁵ Hydro One is unclear which "customer" E.L.K. is referring to in this statement: the Developer or the municipality? Whose needs? Whose preferences?

The Developer, Hydro One understands, asked that the existing pole be removed in order to proceed with the Clark Street extension. Based on the responses received from E.L.K., Hydro One understands that the municipality requested the pole "be relocated to the first street light location and would be used to support the street light fixture"⁴⁶. Consequently, Hydro One submits that the removal of the pole may certainly have been non-discretionary, but the option to proceed with relocating the asset in an area where E.L.K. is not licensed was completely within E.L.K.'s control.

⁴¹ Hydro One Response to Board Staff Interrogatory 2c - October 20, 2016

⁴² Hydro One Intervenor Evidence – September 22, 2016 – Page 4

⁴³ EB-2012-0047 – Decision and Order – March 15, 2013

⁴⁴ RP-2003-0044 – OEB Decision – Paragraph 241

⁴⁵ E.L.K. Response to Hydro One Interrogatory 3g – November 10, 2016

⁴⁶ E.L.K. Response to Hydro One Interrogatory 4g – September 8, 2016

E.L.K. had three meetings with the municipality to discuss the pole relocation work prior to starting this work. Not once did E.L.K. invite Hydro One to these meetings as the incumbent licenced distributor for the subject lands.

Section 41(9) of the *Electricity Act, 1998* states that :

41. (1)A transmitter or distributor may, over, under or on any public street or highway, construct or install such structures, equipment and other facilities as it considers necessary for the purpose of its transmission or distribution system, including poles and lines.

Location

(9)The location of any structures, equipment or facilities constructed or installed under subsection (1) shall be agreed on by the transmitter or distributor and the owner of the street or highway, and in case of disagreement shall be determined by the Board.

Since E.L.K is not the licensed distributor in the SAA lands, Hydro One submits that any agreement pertaining to the site of the relocated pole between E.L.K. and the municipality is invalid. Hydro One submits that the existing asset relocation work was part of work undertaken by E.L.K. in order to justify this SAA. A SAA that Hydro One did not, and has not, consented to⁴⁷. Hydro One contends that E.L.K.'s ability to proceed with the existing asset relocation work is subject to the determination of the OEB through approval of this proposed SAA.

Schedule 1 of a distributor's licence defines the service area of a distributor. Hydro One states that until approval of a SAA, Hydro One remains the distributor of the SAA lands in question, including being the distributor responsible for determining the location of any structure, equipment or facilities constructed or installed in its service territory under subsection 41(1) of the *Electricity Act*.

Lastly, E.L.K. originally submitted that only two customers would be impacted by this SAA⁴⁸. The record has now evolved and illustrates that the fact is that all E.L.K. ratepayers will be impacted by the results of this SAA⁴⁹. Though impractical to expect E.L.K. to receive written responses from all affected customers impacted by this SAA in accordance with Section 7.3.12 of OEB Filing Requirements, the magnitude of interested and/or impacted parties in this proceeding has certainly expanded since the Notice of Application was published in July. Hydro One therefore asks the Board to protect the interests of all other impacted rate payers by calculating costs as submitted by Hydro One herein, by rejecting ELK's submissions and unilateral actions, and by keeping the subject lands inside Hydro One service area.

⁴⁷ Ontario Energy Board Filing Requirements for Service Area Amendment Applications – March 12, 2007 – Section 7.3.11

⁴⁸ E.L.K. Prefiled Evidence – June 21, 2016 – Section 7.1.1 (c)

⁴⁹ E.L.K. Responses to Hydro One Interrogatory 1b – November 10, 2016

With that in mind, for all the reasons discussed above, Hydro One submits that this proposed SAA is not in the public interest and contravenes the Board's statutory objectives by failing to (a) protect the interests of consumers impacted by the leave sought and (b) pursue an alternative that would promote economic efficiency in the distribution of electricity. The evidence clearly indicates that E.L.K. failed to give appropriate consideration to the concerns of Hydro One and proceeded with completing SAA work without OEB or Hydro One approval. As a result, this SAA should be denied. Hydro One submits that should the relocated and new assets E.L.K. has installed need to be transferred to Hydro One or removed in order for Hydro One to complete its connection of the Customer, then Hydro One requests the Board order that these assets be transferred or removed at no cost to Hydro One.

All of which is respectfully submitted.