WASAGA DISTRIBUTION INC.

950 River Road West, Wasaga Beach, ON L9Z1A1
Phone: 705-429-2517
Fax: 705-429-2590
www.wasagadist.ca

Nancy Marconi
Registrar **SUBMITTED BY EMAIL**
Ontario Energy Board
2300 Yonge Street
Toronto, ON M4P 1E4

August 19, 2025

Dear Ms. Marconi,

Re: Wasaga Distribution Inc. Application for Service Area Amendment

Wasaga Distribution Inc. (WDI) is submitting an application to the Ontario Energy Board (OEB) for a Service Area Amendment (SAA). The application seeks to restore a parcel of land located at 400 45th Street South, Wasaga Beach to WDI's licensed service territory.

This parcel was historically part of WDI's service area until 2016, when it was transferred to Hydro One Networks Inc. (HONI) as part of the OEB-directed elimination of long-term load transfers. The land is now vacant and planned for development, and WDI is submitting this application with supporting evidence to demonstrate that the parcel should appropriately be served by WDI.

The application has been prepared in accordance with the Filing Requirements for Service Area Amendment Applications, as set out in Chapter 7 of the Filing Requirements for Transmission and Distribution Applications (issued March 12, 2007).

Please find enclosed the complete application and supporting materials for the OEB's review. Should you have any questions or require further information, we would be pleased to provide clarification.

Sincerely,

Ashly Karamatic
Manager, Finance & Regulatory
a.karamatic@wasagadist.ca
Wasaga Distribution Inc.

Service Area Amendment Application

WASAGA DISTRIBUTION INC.
Distribution Licence ED-2002-0544

Submitted August 19, 2025

TABLE OF CONTENTS

1 Introduction 3
2 General 6
3 Efficient Rationalization of the Distribution System 12
4 Impacts of the Proposed Amendment 17
5 Customer Preference 20
6 Contested Applications 21
7 Schedule A 25
8 Schedule B 26
9 Schedule C 27

Application

1 INTRODUCTION

Wasaga Distribution Inc. (WDI) applies to the Ontario Energy Board (OEB) under section 74(1) of the Ontario Energy Board Act, 1998 for a Service Area Amendment (SAA) to restore a parcel of land - 400 45th Street South, Wasaga Beach (the "Subject Lands") - to WDI's licensed service territory, as described in Schedule 1 of its Electricity Distribution Licence (ED-2002-0544). The lands, now slated for significant residential development, were historically within WDI's service area until 2016, when they were transferred to Hydro One Networks Inc. (HONI) as part of the OEB-directed elimination of long-term load transfers under proceeding EB-2016-0207. 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 (see Figure 1).

Figure 1 - Location of the Subject Lands

The developer's plan contemplates a 660-unit residential subdivision, including single-detached, townhouse, and back-to-back townhouse dwellings, to be constructed in phases over the coming years. WDI is uniquely positioned to serve this new community efficiently and reliably. The Subject Lands are contiguous with WDI-served neighbourhoods and directly adjacent to WDI's upgraded infrastructure along Morgan Road. This system, designed and built to accommodate future load growth in the area, has sufficient capacity to serve the projected 2.1 MW load without upstream investment, ensuring that the connection can be made with minimal incremental cost and maximum use of existing assets.

In contrast, 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.

The developers have expressed a clear preference for WDI to serve the subdivision. The Town of Wasaga Beach, as the local municipality, also supports WDI as the logical and efficient service provider. This alignment enables coordinated municipal planning while ensuring integrated emergency response by leveraging WDI's embedded field crews, local presence, and direct accountability to deliver faster restoration and improved public safety outcomes.

WDI's distribution rates are materially lower than HONI's, and WDI consistently outperforms HONI in reliability metrics, ensuring fewer and shorter outages for future residents. These benefits can be delivered without adverse impact to existing customers in either distributor's service area.

Although the project has not yet reached the Offer to Connect (OTC) stage, WDI and HONI have exchanged preliminary design and cost information. On an apples-to-apples basis, WDI's proximity and existing infrastructure mean it can serve the development at lower cost, to a higher standard of reliability, and with better coordination with municipal departments. WDI and HONI have met to discuss service options, but HONI has declined to consent to this amendment.

The timing of this application is critical. The subdivision is progressing through municipal planning approvals, including detailed servicing design and Composite Utility Plan preparation, where the serving utility must be identified to resolve alignment and space conflicts. A decision now will avoid costly redesigns, ensure civil works are coordinated with permanent electrical servicing, and prevent conflicts between utilities during construction.

Approving this amendment will promote the OEB’s established principles for service area changes:

- Economic efficiency - optimizing use of existing assets, avoiding duplication, and delivering the lowest incremental cost connection;
- Maintenance of contiguous and logical boundaries - preserving smooth service area limits and aligning them with municipal growth;
- Protection of consumer interests - ensuring reliable, cost-effective service for new customers without negative impacts on existing ones, while giving ratepayers the added assurance of municipal oversight as an engaged governance body for accountability, responsiveness, and community-focused decision-making; and
- Rational optimization of distribution systems - leveraging investments already made for the benefit of ratepayers.

For these reasons, WDI respectfully requests that the OEB approve the amendment to reinstate the Subject Lands into WDI’s licensed service area. Doing so will deliver an efficient, reliable, and cost-effective connection in the public interest, consistent with the OEB’s findings in the Combined Proceeding and subsequent decisions.

2 GENERAL

2.1 CONTACT INFORMATION

The contact information of the affected parties is listed below:

Applicant:

Wasaga Distribution Inc.
950 River Road West, P.O. Box 20
Wasaga Beach, ON, L9Z 1A2

Primary Contact: Nanette Dupuis, Manager of Engineering
Telephone: (705) 429-2517
Email: n.dupuis@wasagadist.ca

Secondary Contact: Ashly Karamatic, Manager of Regulatory and Finance
Telephone: (705) 429-2517
Email: a.karamatic@wasagadist.ca

Legal Counsel for the Applicant:
Aird & Berlis LLP
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON, M5J 2T9
Primary Application Contact: David Stevens
Telephone: (416) 865-7783
Email address: dstevens@airdberlis.com

The Incumbent Distributor:

Hydro One Networks Inc.
483 Bay Street, South Tower
Toronto, ON, M5G 2P5

Primary Contact: Pasquale Catalano, Director, Major Projects & Partnerships | Regulatory Affairs
Telephone: (416) 345-5405
Email: Pasquale.Catalano@HydroOne.com

The Project Developers:

Primont (Wasaga 2) Inc.
9130 Leslie Street, Suite 301
Richmond Hill, ON, L4B 0B9

Primary Contact: Daniel Stummer, Development Manager
Telephone: (905) 770-7002 x846
Email: daniel@primont.com

Sterling Group of Companies
20 Rivermede Road, Ste. 204
Concord, ON, L4K 3N3

Primary Contact: Paul Federico, President
Telephone: (905) 669-8399
Email: pfederico@sterlinggroupcorp.com

The Municipality:

Town of Wasaga Beach
30 Lewis Street
Wasaga Beach, ON, L9Z 1A1
Primary Contact: Andrew McNeill, Chief Administrative Officer
Telephone: (705) 429-3844 x2246
Email: andrew.mcneill@wasagabeach.com

There are no other affected parties.

2.2 REASONS FOR AMENDMENT

WDI respectfully submits that this Application is consistent with, and satisfies, the requirements set out in the OEB's Chapter 7 Filing Requirements for Transmission and Distribution Applications. The proposed amendment is grounded in the principles established in the OEB's Decision with Reasons in RP-2003-0044 regarding combined service area amendments, including the overarching objective of ensuring service efficiency, continuity, reliability, and alignment with the public interest.

While HONI's consent is not provided, WDI submits that the amendment is justified and reflects customer, utility, and municipal preference, consistent with the OEB's guidance that service area changes should maximize economic and operational efficiency while minimizing stranded assets. Key considerations include:

Public Interest and Planning Considerations

- Efficient Use of Existing Infrastructure: WDI already owns and operates upgraded infrastructure adjacent to the subject lands. The nearby distribution stations have sufficient capacity to accommodate the additional load, eliminating the need for upstream investment. These stations also provide built-in redundancy, enhancing system reliability by enabling alternative supply paths during outages or maintenance. Additionally, WDI's existing feeders, poles, and lines in the area are readily available to serve the development efficiently, supporting a timely, cost-effective connection and reliable connections.
- Avoidance of Stranded Assets: Denial of the amendment would strand WDI's existing infrastructure along Morgan Road and undermine long-standing occupation rights within the utility corridor, contrary to the OEB's principle of efficient use of resources.
- Cost-Efficient Expansion and Upgrades: WDI's existing infrastructure can accommodate the projected 2.1 MW load, as well as nearby future developments, without the need for upstream investment. This represents a technically and economically superior solution, consistent with the OEB's direction that service changes should promote system efficiency and minimize unnecessary investment.
- Supports Coordinated Growth and Planning: The Subject Lands are contiguous with existing WDI-served areas. Reintegrating them ensures logical, contiguous service, supports the Town's growth planning, and prevents fragmented service areas

- Municipal Alignment and Local Responsiveness: Servicing the property through WDI, a municipally owned LDC, aligns with broader municipal infrastructure planning and emergency management objectives. Local governance enables faster response times, operational accountability, and service continuity, consistent with the OEB's focus on the public interest and local reliability. This integrated approach enhances operational efficiency, strengthens responsiveness, and delivers tangible benefits to residents, businesses, and the community as a whole.

Customer and Technical Considerations:

- Customer Preference: The developers have indicated a preference for WDI to provide service to the Subject Lands. One developer has formalized this preference in writing, with a letter included in this application, demonstrating alignment with the OEB's principle that customer preference is a relevant factor in service area amendments.
- Lower Connection Costs and Faster Timelines: The developer will benefit from lower connection costs, quicker service delivery, and more coordinated infrastructure planning with WDI.
- Superior System Reliability: WDI consistently outperforms HONI in reliability metrics (SAIFI and SAIDI), offering fewer and shorter outages and a more resilient system with built-in redundancy.
- Technically and Economically Superior Solution: WDI's proposed service is lower-cost, more reliable, and more efficient than HONI's 5.3 km radial line, which would introduce a single point of failure and unnecessary buildout.
- No Negative Impact on Other Customers: The proposed amendment will not adversely affect other customers, ensuring equitable service and adherence to OEB standards.

Regulatory and Procedural Compliance

- Asset, Customer, and Load Transfer Considerations: In accordance with sections 7.3.6 to 7.3.9 of the OEB's Filing Requirements for Service Area Amendments:
    - Asset Transfers: No assets are proposed to be transferred to or from either distributor.
    - Customer Transfers: There are no permanent electricity customers on the Subject Lands, and no customer transfers are proposed.

- Elimination of Load Transfers or Retail Points of Supply: There are no existing load transfers or retail points of supply that will be eliminated as a result of this Application.
- Creation of New Load Transfers or Retail Points of Supply: No new load transfers or retail points of supply will be created as a result of this Application.

- The Subject Lands are currently served only by a temporary service connection. WDI will provide direct, permanent service using its own facilities.

HONI-Specific Considerations

- Negligible Impact on HONI: The only effect on HONI is the removal of a temporary connection with no permanent customers or infrastructure, resulting in minimal revenue impact and no stranded assets.
- Supports Service Realignment and Repatriation: The property was previously transferred to HONI during province-wide load transfer eliminations. With the permanent HONI connection removed, WDI's service ensures logical, continuous alignment within its existing distribution area.

2.3 Description of Lands

The Subject Lands are generally known as 400 45th Street South, Wasaga Beach, Ontario, and are legally described as:

"Part Lot 1, Concession 14 Sunnidale; Part West Part Lot 2, Concession 14 Sunnidale as in RO1372729; Subject to RO144807; Town of Wasaga Beach", with Roll Number: 4364 030 0012 4500.

2.4 Distribution Infrastructure In and Around the Proposed Amendment Area

2.4.1 Type of Physical Connection

The Subject Lands are currently the subject of a proposed Official Plan Amendment, Zoning By-law Amendment, and Draft Plan of Subdivision with the Town of Wasaga Beach. The proposed development consists of a 660-unit residential subdivision, including 329 single-detached dwellings, 139 townhouses, and 192 back-to-back townhouses.

2.4.2 Adjacent Expansion Plans

WDI has existing distribution infrastructure along Morgan Road, which has been recently upgraded to enhance capacity and reliability. The recent upgrades extend along Morgan Road from Club Court westward to Middleton Drive (see Figure 2).

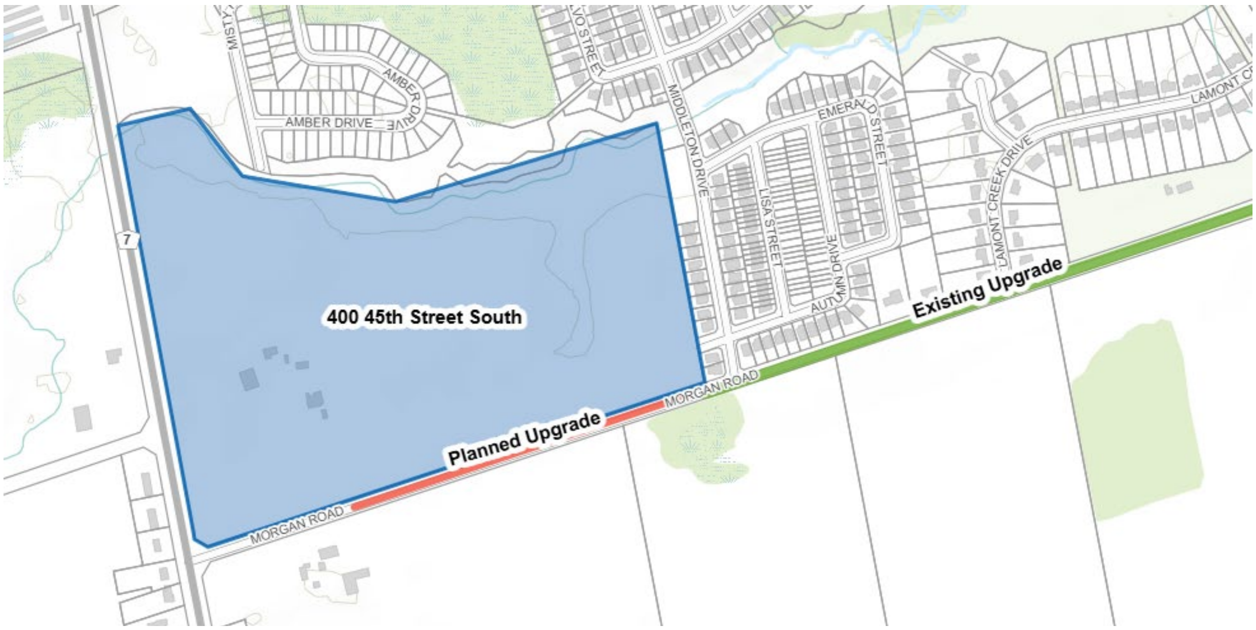


Figure 2- Morgan Road Existing and Planned Upgrades

This rebuilt section is already capable of accommodating the projected subdivision load. The only work remaining is the reinforcement of a short segment at the western end of the corridor. This targeted reinforcement will complete the upgraded corridor, ensure consistent capacity along its entire length, and enable a seamless tie-in to serve the Subject Lands without requiring upstream investment. The surrounding area has already been developed and is currently serviced by WDI. The Subject Lands are the only remaining undeveloped properties along this corridor within the Wasaga Beach Town boundary, and their inclusion within WDI's service area would allow for seamless integration with the existing distribution network and support efficient, contiguous system planning.

2.4.3 Maps and Diagrams

The following maps and diagrams are provided in support of this SAA application:

- **Schedule A – Developer Concept Plan:** Illustrates the proposed development layout for the Subject Lands, including the planned lot configuration, road network, and housing types. This plan is subject to change as the project advances through the municipal approval process.

- **Schedule B – Geographical Features, Local Context, and Service Territory Boundaries:** Provides an overview of the Subject Lands in relation to local geography, surrounding development, and electrical servicing. The map identifies the Subject Lands at 400 45th Street South, existing municipal boundaries, major roads, lot fabric, and the current licensed service territory of WDI. The original WDI service area boundary was aligned with the Town of Wasaga Beach municipal boundary from the utility's inception in 1976 until 2016. The map also shows the existing HONI infrastructure historically used to supply the Subject Lands, as well as WDI's assets in the area.

Together, these maps provide a comprehensive overview of the Subject Lands, the current WDI and HONI service territory boundaries, the surrounding development context, the municipal boundary, and the existing electrical infrastructure. Note that development details (e.g., lot fabric and internal easements) may be refined as the subdivision proceeds through the municipal approvals process.

3 Efficient Rationalization of the Distribution System

WDI asserts that the proposed amendment to WDI's service area will result in a rational and efficient service area and optimize the use of existing distribution assets. Advancing the SAA at this stage - prior to the issuance of Offers to Connect - is both necessary and appropriate to ensure timely and coordinated planning. The subdivision is progressing through the municipal approval process, including civil design and the preparation of Composite Utility Plans (CUPs), during which distributors are expected to resolve potential utility conflicts and confirm servicing requirements. Early certainty as to which utility will serve the Subject Lands is essential to avoiding delays, minimizing redesigns, and ensuring infrastructure investments are efficient and aligned. Addressing the service territory designation now will support coordinated development, protect WDI's existing rights-of-way, and avoid unnecessary duplication of infrastructure.

3.1 The location of the point of connection and Proximity to Existing Distribution System

The Subject Lands are directly adjacent to recently upgraded WDI infrastructure along Morgan Road, extending from Club Court to Middleton Drive (see Figure 2), part of a purpose-built section of WDI's network designed to accommodate growth within the Town of Wasaga Beach. This infrastructure was specifically planned and constructed to support residential development and provide redundancy in this area and is currently serving surrounding subdivisions.

WDI already owns and operates the necessary infrastructure to serve the Subject Lands and intends to maintain system control in this corridor. Leveraging this existing investment avoids unnecessary duplication of distribution assets along the same roadway and ensures the optimal use of facilities already in place, an approach consistent with the OEB's principle that economic efficiency is the primary consideration in assessing service area amendments.

By contrast, serving the parcel from HONI's system would require the construction of a new 350-metre pole line and upgrades to approximately 4.95 km of existing infrastructure to reach the site, bypassing WDI's facilities located along the site's access corridor. This represents an incremental investment, would duplicate existing assets, and would leave WDI's ratepayer-funded facilities underutilized, contrary to the objective of avoiding stranded assets.

Phase One of the development can be serviced using the existing pole line as is. Only minor upgrades to the infrastructure would be required to service the entire subdivision. WDI holds existing occupation rights in the corridor and can complete the connection using its current infrastructure, delivering a lower-cost, technically superior solution that maximizes the use of existing plant and better serves stakeholders. The total forecasted load for the fully built-out subdivision is approximately 2.1 MW, which can be readily accommodated by WDI's MS#6, located approximately 2.4 km away. The development will be served by Feeder 1 from MS#6, with backup capacity available from Feeder 4 out of MS#3 - offering built-in redundancy, improved fault tolerance, and long-term service reliability.

In contrast, HONI's proposed radial connection would introduce a single point of failure, significantly increase outage exposure, and add infrastructure without adding system value. The proposed amendment ensures the connection leverages existing infrastructure, aligns with the Town's development objectives, and meets the OEB's primary criterion of promoting economic efficiency through optimal use of existing distribution assets.

3.2 FULLY ALLOCATED CONNECTION COSTS

The development is currently progressing through municipal approvals, including zoning and subdivision processes, and the final lot layout and rights-of-way have not yet been established. Since the detailed design of electrical distribution connections depends on these finalized plans, it is not possible at this time to accurately allocate connection costs.

A fully allocated connection cost model requires confirmed development details to determine the extent of required electrical infrastructure, such as transformers, feeders, and underground cabling. Until these details are finalized, any cost estimates would be preliminary and subject to change.

While fully allocated costs cannot be determined at this time, preliminary design work and cost estimates have been completed. See Section 6.1.3 (Comparison of Competing Estimates) for further details.

3.3 CAPITAL CONTRIBUTION

For the same reasons outlined in Section 3.2, capital contributions cannot be determined at this time. Without finalized development plans, it is not possible to accurately assess the electrical infrastructure requirements or associated capital costs.

3.4 STRANDED EQUIPMENT

WDI maintains approximately 470 metres of distribution infrastructure along Morgan Road, within the site's access corridor. These assets represent more than just physical equipment—they embody WDI's long-standing presence and established occupation rights within the utility corridor and continue to offer strategic and operational value.

Abandoning this infrastructure would impose direct costs on WDI, including removal and disposal expenses. More critically, it would undermine corridor rights that support future service opportunities and long-term planning. These impacts are not reflected in the assets' accounting depreciation, but they are real and consequential.

If HONI were permitted to construct a new line to service the Subject Lands, it would bypass WDI's infrastructure, effectively stranding these assets. While they are not currently serving the parcel, their potential to support future load would be lost. This would result in both a missed opportunity for efficient service delivery and unnecessary duplication of infrastructure along Morgan Road.

WDI therefore submits that its existing infrastructure continues to hold value beyond accounting depreciation, and that maintaining service within WDI's established corridor maximizes resource efficiency and minimizes unnecessary costs.

3.5 Reliability of Infrastructure Over the Long Term

Objective performance data, along with a comparison of WDI's and HONI's respective system designs, confirm that the proposed amendment will, at minimum, maintain—and likely enhance—distribution system reliability in the vicinity of Morgan Road and the Subject Lands, including the adjacent portions of WDI's licensed service areas.

2023 Reliability Metrics Comparison

Distributor	SAIFI (Interruptions/Year)	SAIFI Target	SAIDI (Hours/Year)	SAIDI Target
WDI	0.73	1.09	0.66	1.32
HONI	~2.8	2.1	~7.5	4.7

Data taken from the OEB's 2023 Electricity Distributor Scorecards

WDI consistently outperforms HONI by a substantial margin, with customers experiencing significantly fewer outages and shorter outage durations. Importantly, WDI operates well below the OEB's established reliability targets, demonstrating a highly reliable system, whereas HONI exceeds its targets, indicating comparatively lower reliability. These performance benchmarks underscore that WDI's network is inherently more reliable.

This superior performance reflects WDI's compact, locally managed distribution system and embedded field crews, enabling rapid restoration and strong service accountability.

WDI has recently upgraded infrastructure along Morgan Road, adjacent to the Subject Lands, further strengthening local grid resilience. The development will be served via Feeder 1 from MS #6, with Feeder 4 from MS#3 providing built-in redundancy to enhance fault tolerance and ensure long-term service continuity.

In contrast, HONI's proposed connection would rely on a 5.3 km radial line - significantly increasing exposure to faults, offering no redundancy, and leaving future customers vulnerable to prolonged outages. Unlike WDI's looped and recently upgraded system, HONI's design introduces a single point of failure, reduces overall reliability, and entails a higher-cost, less efficient build that duplicates existing infrastructure without adding value.

Connecting the Subject Lands to WDI ensures integration into an existing, upgraded, and resilient system. This approach avoids reliance on long radial feeds and supports reliable, efficient service for both the new development and the surrounding community.

3.6 Cost-Efficient Expansion

The proposed infrastructure will enable cost-efficient expansion within the Subject Lands. WDI already maintains upgraded infrastructure along Morgan Road, supported by existing capacity on Feeder 1 from Municipal Station #6, with Feeder 4 from Municipal Station #3 available as a backup. The projected 2.1 MW load of the proposed subdivision can be accommodated with minimal upstream investment.

3.7 Cost-Efficient Improvements and Upgrades

The proposed servicing also facilitates cost-efficient improvements to the local distribution network. As part of the connection, WDI will upgrade a short section - approximately five poles - along the remaining segment of the Morgan Road corridor. This work will complete the reinforcement of the corridor, enhance local reliability, and ensure that the infrastructure is ready for additional connections should future development occur.

By proactively upgrading this strategic section, WDI maximizes the value of existing assets and minimizes the need for reactive or piecemeal infrastructure upgrades. The result is a more resilient and future-ready network that benefits both the Subject Lands and the broader area, all while controlling long-term costs and avoiding unnecessary duplication of ratepayer-funded infrastructure.

4 Impacts of the Proposed Amendment

4.1 Description of Impacts

4.1.1 Affected Customers or Landowners

The sole current affected customer is the developer of the Subject Lands, who has expressed a preference to be served by WDI. The decision on this application will also impact future residential customers who will purchase and occupy homes within the development.

4.1.2 Impacts on Affected Customers

There are no adverse impacts on costs, rates, service quality, or reliability for customers within the proposed amendment area. In fact, service from WDI will result in several positive outcomes for the developer and future customers, including:

- Lower connection costs for the developer: WDI's existing infrastructure adjacent to the Subject Lands minimizes the need for extensive upstream upgrades. The proximity of available capacity, along with the absence of costlier rural servicing challenges, results in a more economical connection solution for the developer.
- Faster service connection timelines: Because WDI already has upgraded facilities and distribution assets in place near the Subject Lands, it can complete the connection using standard construction methods within a significantly shorter timeline than would be required for HONI to design, permit, and upgrade a 4.95 km pole line upgrade and construct 350 m pole line expansion. This supports timely project development and reduces delays related to utility servicing.
- Lower ongoing distribution rates: WDI's residential and general service rates are lower than HONI's for comparable customer classes. As a result, future customers connecting to WDI's system will benefit from reduced monthly electricity delivery charges, enhancing long-term affordability.
- Improved operational coordination with the municipality and existing adjacent distribution infrastructure: As a municipally owned LDC with embedded field crews and established communication protocols, WDI is better positioned to align servicing with local road reconstruction, growth planning, and emergency response efforts. This enhances both the efficiency and reliability of service delivery.

Service quality and reliability will meet or exceed regulatory standards and are expected to benefit from WDI's local system redundancy and faster outage response times.

4.1.3 Impacts on Adjacent Customers

Approval of this application will not result in any negative impacts on cost, rates, service quality, or reliability for the customers and properties adjacent to the Subject Lands.

4.1.4 Impacts on the Customers of any Distributor Outside the Area

There are no material impacts on customers outside the amendment area. WDI can accommodate the addition of the Subject Lands without negatively affecting service quality, reliability, or costs for existing customers. Furthermore, the addition of approximately 600 new customers could be materially beneficial to existing WDI customers.

As an embedded distributor within HONI, WDI will continue to pay upstream delivery charges to HONI for electricity delivered to the new customers. As a result, HONI will continue to receive distribution-related revenue from WDI, and there will be no adverse impact on HONI's existing customers.

4.1.5 Impacts on Each Distributor

WDI will gain customers in an area contiguous with its existing service territory, improving operational efficiency and enabling coordinated infrastructure planning with the Town.

HONI, the incumbent distributor, will relinquish the undeveloped Subject Lands that currently contains only a temporary connection serving a sales office. As this load is minimal and not permanent, the impact on HONI in terms of lost revenue is negligible. No permanent distribution infrastructure will be stranded as a result of the proposed amendment.

4.1.6 Stranded Assets

HONI Networks Inc. has not constructed any infrastructure to service the Subject Lands and will not have any stranded or redundant assets if the proposed Service Area Amendment is granted. WDI has approximately 470 metres of existing pole line along Morgan Road; however, this infrastructure was not originally built to serve the subject development and will require upgrading to accommodate permanent service. Granting the amendment will enable WDI to utilize and upgrade this existing infrastructure efficiently. Conversely, if the amendment were not granted and HONI were to service the area, WDI's infrastructure would be bypassed and effectively stranded. Thus, the proposed amendment avoids the creation of stranded or redundant assets and supports efficient use of existing distribution facilities.

4.1.7 Asset Transfers

No asset transfers are proposed as part of this application.

4.1.8 Customer Transfers

No existing customers are being transferred. The developer of the Subject Lands will become a new customer of the applicant upon development.

4.1.9 Load Transfers and Retail Points of Supply

There are no existing load transfers or retail points of supply that will be eliminated as part of this application, nor will the proposed amendment create any new load transfers or retail points of supply. The customer will be directly served by WDI using infrastructure located within its existing service area.

4.2 Mitigation of Impacts

4.2.1 Affected Parties

WDI confirms that all affected parties, including the incumbent distributor, the developer, and the landowner, have been provided with specific and factual information regarding the proposed Service Area Amendment. Communications between WDI and HONI have taken place to discuss the proposed amendment and related service territory boundaries. The developer has also been informed of the implications of the proposed amendment and has confirmed support.

4.2.2 Letter From the Incumbent Distributor

HONI has not provided consent to the application. Accordingly, the application is being submitted without mutual consent, pursuant to OEB's Filing Requirements for Service Area Amendment Applications (EB-2006-0327). Despite the absence of consent, the amendment reflects customer, utility, and municipal preference and is in the public interest.

4.2.3 Written Response From All Affected Customers, Developers, And Landowners

The developers have expressed support for the proposed amendment, with written consent provided by one party. A copy of this letter is included in the application package. The Subject Lands are currently undeveloped, with no permanent customers; the only existing connection is a temporary service to a sales office.

4.2.4 Customer and Asset Transfers Mitigation

No mitigation measures are required as no permanent customer or asset transfers are involved. HONI has no infrastructure on the Subject Lands, and there are no stranded assets to be compensated. WDI will serve the customer directly using existing infrastructure within its service area, which will be upgraded as necessary. Therefore, the proposed amendment does not create adverse impacts requiring mitigation.

5 CUSTOMER PREFERENCE

The developers have expressed a clear preference for WDI to provide electrical service to the Subject Lands. Written confirmation of support has been provided by one developer and is included as part of this application. Their preference is based on alignment with the Town's approval processes, proximity to WDI's existing facilities, and anticipated efficiencies in servicing the development.

Alignment with the Town's approval processes is particularly important to the developers because it enables coordinated delivery of utilities, roads, and other municipal services. As the municipally owned distributor, WDI maintains strong working relationships with Town departments and planning staff, allowing for better coordination of trenching, permitting, right-of-way access, and construction schedules. This facilitates a more streamlined, integrated development process.

In addition, WDI's local presence and smaller organizational structure allow for a more responsive, flexible approach to servicing timelines. WDI is better able to adapt to evolving site needs, address issues quickly, and align closely with the developer's construction schedule—reducing delays and improving predictability. This level of responsiveness is an important factor for developers working under tight project timelines and coordinating multiple trades.

Furthermore, WDI maintains a strong working relationship with the Town's emergency services staff to support rapid and coordinated emergency response. This collaboration ensures that critical utility information is readily available during incidents, communication channels remain open and efficient, and response strategies are aligned to protect public safety. Future ratepayers also benefit from this coordination, as they gain the assurance of integrated municipal–utility response during emergencies and continued access to the Town's influence on utility operations, planning, and service priorities.

Servicing through WDI supports efficient, cost-effective development and reinforces the developers' alignment with municipal requirements.

6 CONTESTED APPLICATIONS

HONI has not provided consent to this application. In accordance with section 7.5 of the OEB's Filing Requirements for Service Area Amendments, the absence of consent means this application must be treated as a contested application. Accordingly, WDI provides the additional information required for contested applications in this section.

6.1 OPPORTUNITY FOR INCUMBENT DISTRIBUTOR TO MAKE AN OFFER TO CONNECT

6.1.1 Incumbent Distributor

HONI, the incumbent distributor, was made aware of the development by WDI. WDI understands that HONI has provided a cost estimate and may have discussed preliminary terms with the developer; however, to WDI's knowledge, no executed connection agreement has been executed.

6.1.2 Applicant Distributor

The developer has been in contact with WDI and has received a preliminary estimate for the expansion. There are no alternate distributors bordering the Subject Lands aside from WDI and HONI. As such, WDI and HONI are the only viable connection options for the customer.

6.1.3 Comparison of Competing Estimates

A comparative discussion took place between WDI and HONI during a meeting on March 5, 2025. The meeting was scheduled by HONI, which chose not to invite the developer or their representative. At that meeting, HONI indicated that the distributor with the most economical connection estimate should be selected to service the development. However, as cost details were exchanged verbally, it became evident that the comparison was not conducted on an equal basis due to significant differences in scope assumptions.

No written documents were exchanged during this discussion, and to WDI's knowledge, no minutes of the meeting were taken. The scope differences described below are based on notes from WDI staff in attendance.

WDI presented a total project estimate of $3.69 million, which included $1.52 million in civil works such as trenching, duct banks, vaults, and road crossings. In contrast, HONI's estimate of approximately $2.4 million excluded key components such as civil works and inspection services. HONI further indicated that inspection costs alone would add approximately $90,000. HONI explained that civil works are typically excluded from its estimates because they are viewed as developer costs when a developer elects to install infrastructure underground rather than overhead. By contrast, WDI's practice is to include all costs to the developer, regardless of whether the installation is overhead or underground - in its project estimates to ensure transparency and comparability. When equivalent components are excluded from WDI's estimate for a direct comparison, the adjusted cost is approximately $2.17 million - significantly lower than HONI's. In addition to the cost advantage, WDI's design is more robust and better prepared to accommodate future load growth and electrification.

The table below provides an apples-to-apples comparison of WDI and HONI cost estimates, isolating comparable components to highlight the true cost differences when scope differences are accounted for.

Cost Component	WDI Estimate	HONI Estimate	Included in Comparison?	Notes
Electrical plant & materials	Included	Included	Yes	Core distribution equipment costs.
Civil works (trenching, duct banks, vaults, road crossings)	Included ($1.52M)	Excluded	No (excluded for direct cost comparison)	HONI considers civil works a developer cost if underground construction is chosen; WDI includes all developer costs in estimates for transparency.
Inspection services	Included	Excluded (~$90k)	No (excluded for direct cost comparison)	HONI confirmed inspection would add cost.

Overhead installation costs (if applicable)	N/A (underground design)	N/A (underground design assumed)	N/A	Both designs underground.
Total as presented	$3.69M	$2.40M	No	Not directly comparable due to scope differences.
Adjusted total (excluding civil & inspection)	$2.17M	$2.40M	Yes	True comparable cost basis; WDI lower by approx. $230k.

Due to these discrepancies and the lack of a shared basis for comparison, WDI raised concerns about transparency and paused further cost analysis. Subsequent attempts by WDI to re-engage HONI for further discussions have not resulted in meaningful progress. Consequently, WDI is proceeding with this Service Area Amendment application without HONI's consent.

Given that no formal and complete Offer to Connect has been provided by HONI, a direct cost comparison is not possible at this time. However, it is WDI's understanding that, based on an objective assessment of the relevant circumstances, WDI represents the more economically efficient option. WDI has proximate, upgraded distribution infrastructure available to serve the Subject Lands without the need for upstream investment. In contrast, HONI's nearest station is approximately 5.3 km away, and the existing line would require upgrades to accommodate the proposed load. These upgrades would involve additional cost, coordination challenges, and longer timelines, making WDI's solution the more practical, cost-effective, and technically superior choice.

6.1.4 Comparison of Required Electrical Infrastructure

WDI:

- Has approximately 470 metres of existing overhead distribution infrastructure along Morgan Road, west of Middleton Drive (see Figure 2), along the Subject Lands' access corridor. This segment will require reinforcement to accommodate the full build-out of the proposed development; however, it is already in place and well-positioned to serve Phase 1 of the project efficiently.
- Servicing from this corridor avoids duplication and maximizes use of existing assets.

HONI Networks Inc.:

- HONI does not have any existing distribution infrastructure in proximity to the Subject Lands.
- To provide service, HONI would need to construct new facilities from outside the area, requiring a separate pole line extension.
- Specifically, this would involve upgrading approximately 4.95 km of existing pole line and constructing an additional 350 metres of new pole line.
- HONI's proposed service route would bypass WDI's existing adjacent infrastructure, resulting in redundant assets, inefficient use of corridor space, and increased project cost and complexity.

6.1.5 Outage Statistics and Reliability of Existing Lines

WDI consistently delivers strong reliability across its service territory. Both WDI and HONI are subject to Ontario Energy Board performance reporting; however, WDI's operational advantages were clearly demonstrated during the March 30, 2025, ice storm that impacted Simcoe County. While HONI customers in service areas directly adjacent to WDI experienced extended outages, WDI's smaller size, local presence, and established municipal coordination enabled quicker response and restoration. This real-world event underscores WDI's ability to deliver highly reliable service, even under adverse conditions. Detailed performance metrics are provided in Section 3.5.

6.1.6 Quantitative Evidence of Quality and Reliability for Comparable Areas

WDI has consistently met or exceeded OEB service quality and reliability standards for similarly situated residential developments within its service territory. In comparable subdivisions in contiguous areas, WDI has demonstrated strong SAIDI and SAIFI performance, minimal outage durations, and responsive customer service. HONI's reliability performance, while not available at the specific Subject Lands level, reflects system-wide averages that may not capture the localized efficiencies offered by WDI's proximity and operational model.

All of which is respectfully submitted.

7 SCHEDULE A

Developer Concept Plan (subject to change)

CONCEPT PLAN v18

primont

400 45TH STREET SOUTH
WASAGA

LEGEND

- Single Detached
- Street Townhouses
- Back-to-Back Towns
- Parkland
- Open Space
- SWM Pond
- Lamont Creek Corridor
- Floodplain
- CR7 Road Widening & Reserve
- Potential Connection
- 30m Watercourse Setback
- 100-Year Flood Line Limit
- Regional Floodplain (Nov 2024)
- Phase Boundary
- Max Developable Limit
- Subject Lands

Note: Lamont Creek Crossing Alignment Conceptual Only

NORTH

NAK design strategies
421 RONCESVALLES AVENUE, TORONTO, ON M6R 2N1 CANADA
T 416.340.8700 F 416.340.7100 NAKDESIGNSTRATEGIES.COM

SCALE | 1:2500
0 25m 50m

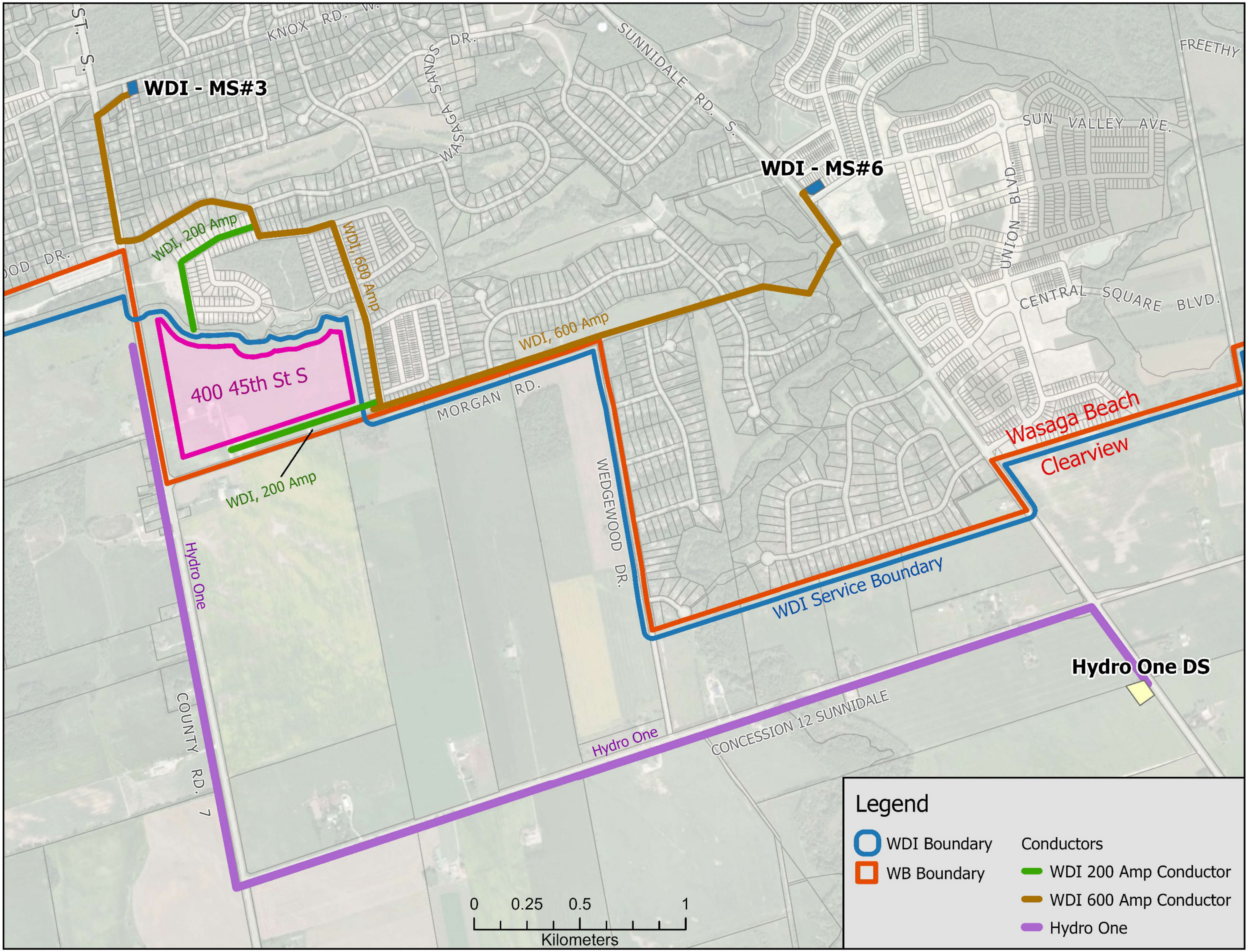
DATE | 01.23.2025
PROJECT | 22063

PS00424 Plan of Subdivision
OP00524 Official Plan Amendment
Z00824 Zoning By-Law Amendment

LU-18

8 SCHEDULE B

Geographical Features, Local Context, and Service Territory


WDI - MS#3
WDI - MS#6
KNOX RD. W.
SANDS DR.
WASAGA
SUNNIDALE RD. S.
FREETHY
SUN VALLEY AVE.
UNION BLVD.
CENTRAL SQUARE BLVD.
ST. S.
OOD DR.
WDI, 200 Amp
WDI, 600 Amp
WDI, 600 Amp
400 45th St S
MORGAN RD.
WDI, 200 Amp
Wasaga Beach
Clearview
WEDGEWOOD DR.
WDI Service Boundary
Hydro One
COUNTY RD. 7
Hydro One
CONCESSION 12 SUNNIDALE
Hydro One DS
0 0.25 0.5 1
Kilometers
Legend
WDI Boundary
WB Boundary
Conductors
WDI 200 Amp Conductor
WDI 600 Amp Conductor
Hydro One

9 SCHEDULE C

Developer Letter of Consent and Support

Wasaga Distribution Inc.
P.O. Box 20, 950 River Road West
Wasaga Beach, Ontario L9Z 1A2
Attention: Nanette Dupuis, Manager of Engineering

RE: Service Area Amendment – PT LT 1 CON 14 SUNNIDALE; PT W PT LT 2 CON 14 SUNNIDALE AS IN RO1372729; S/T RO144807; WASAGA BEACH

Sterling Group of Companies would like to state that Wasaga Distribution Inc. is the local distribution company that we would prefer to service our development at 400 45th Street South. We understand that Wasaga Distribution will need to make an application to the Ontario Energy Board to amend the Service Area description to include this development within its Service Area.

The legal description of this property is "PT LT 1 CON 14 SUNNIDALE; PT W PT LT 2 CON 14 SUNNIDALE AS IN RO1372729; S/T RO144807; WASAGA BEACH".

Please consider this as consent to this letter being included in the Service Area Amendment Application to the Ontario Energy Board.

Jan 30, 2024

Paul A. Federico, President
Sterling Group of Companies
20 Rivermede Road, Ste. 204
Concord, Ontario L4K 3N3

Date