



EB-2012-0422

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B;

AND IN THE MATTER OF an application pursuant to section 74 of the *Ontario Energy Board Act, 1998* by Wellington North Power Inc. and Hydro One Networks Inc. seeking an order to amend the current Electricity Distribution Licences of Wellington North Power Inc. and Hydro One Networks Inc. (ED-2002-0511 and ED-2003-0043 respectively).

By delegation, before: David Richmond

DECISION AND ORDER

January 10, 2013

THE APPLICATION

Wellington North Power Inc. ("WNP") and Hydro One Networks Inc. ("Hydro One") filed a joint application with the Ontario Energy Board on October 29, 2012 under section 74 of the *Ontario Energy Board Act, 1998*.

The application addresses the long term load transfer ("LTLT") arrangement between WNP and Hydro One. A load transfer is a situation in which a customer is located in the licensed service area of one distributor (the "geographic distributor") but is physically served electricity by another distributor (the "physical distributor").

Section 6.5.4 of the Board's Distribution System Code requires geographic distributors to eliminate long term load transfer arrangements before June 30, 2014 by either

negotiating the transfer of the customers to the physical distributor or by the geographic distributor extending its system to connect the customers.

The application seeks an order of the Board to:

- (a) amend the service area in Schedule 1 of WNP's current electricity distribution licence to reflect the transfer of three LTLT customers from Hydro One to WNP.

The application states that the proposed service area amendment would have no impact on Hydro One's licence, as Hydro One's service area in the Township of Southgate includes all areas with the exception of that served by WNP.

The proposed service area amendment would transfer three customers to WNP's licensed service area. The customers are currently located within Hydro One's licensed service area and are customers of Hydro One but are physically served electricity by WNP under an LTLT agreement between the two distributors. If the proposed amendments are approved, these customers will be billed and otherwise served by WNP as WNP customers. The customers are located along London Road in Mount Forest and the land is in the Township of Southgate in Grey County.

THE PROCEEDING

The Board assigned file number EB-2012-0422 to the application and issued a Notice of Application and Written Hearing on November 23, 2012. The Notice was served upon the customers proposed to be transferred to WNP from Hydro One and posted on WNP's and Hydro One's websites. No one responded to the Notice.

FINDINGS

The service area amendment is prompted by the Board's policy that requires the elimination of long term load transfers. The application is consistent with Board policy.

The applicants stated that the proposed service area amendment is the most cost-effective approach for eliminating the subject LTLT arrangement. The applicants further stated that it would difficult and not cost effective for Hydro One to expand its

distribution system to connect the three customers. In addition, the applicants indicated that the proposed service area amendment will have no impact on service quality. The current distribution rates for the customers being transferred from Hydro One to WNP will be lower as a result of the service area amendment.

Based on the evidence, I find that it is in the public interest to amend Schedule 1 of WNP's electricity distribution licences to reflect the transfer of the three customers from Hydro One to WNP as requested by the applicants.

IT IS THEREFORE ORDERED THAT:

1. Wellington North Power Inc.'s electricity distribution licence (ED-2002-0511), specifically Schedule 1 of the licence, is amended to include the customers located at 330 London Road, 430 London Road, and 440 London Road in the Township of Southgate in Grey County.

DATED at Toronto, January 10, 2013

ONTARIO ENERGY BOARD

Original Signed By

David Richmond
Manager, Electricity Facilities & Infrastructure Applications