

**Ontario Energy  
Board**  
P.O. Box 2319  
27th. Floor  
2300 Yonge Street  
Toronto ON M4P 1E4  
Telephone: 416- 481-1967  
Facsimile: 416- 440-7656  
Toll free: 1-888-632-6273

**Commission de l'énergie  
de l'Ontario**  
C.P. 2319  
27e étage  
2300, rue Yonge  
Toronto ON M4P 1E4  
Téléphone: 416- 481-1967  
Télécopieur: 416- 440-7656  
Numéro sans frais: 1-888-632-6273



January 19, 2012

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

Dear Ms. Walli:

**Re: Application by Port Colborne Hydro Inc. for Leave to Sell its Distribution  
System to Canadian Niagara Power Inc.  
Board File No.: EB-2011-0367**

Please find enclosed Board Staff interrogatories respecting the above application.

Please forward the interrogatories along with this cover letter to the applicant in this proceeding.

Yours truly,

*Original signed by*

George Dimitropoulos  
Project Advisor, Licence Applications

Attachment



# **ONTARIO ENERGY BOARD**

## **BOARD STAFF INTERROGATORIES**

**Application for Leave to Sell Distribution System**

**Port Colborne Hydro Inc.**

**EB-2011-0367**

January 19, 2012

## **The Application**

Port Colborne Hydro Inc. (“Port Colborne” or the “applicant”), a licensed electricity distributor, filed an application with the Ontario Energy Board on October 19, 2011, under section 86(1)(a) of the *Ontario Energy Board Act, 1998* (the “Act”). In the application, Port Colborne seeks leave of the Board to sell its existing distribution system in its entirety to Canadian Niagara Power Inc. (“CNPI”).

The applicant has stated that the proposed transfer of distribution assets will be rate neutral and there will be no adverse operational impacts.

Should the proposed transaction receive Board approval, Port Colborne states that it wishes to maintain its electricity distribution licence.

## **Board Staff Questions**

- 1) With reference to part 1.3.4 of the application, please explain in greater detail the reasons for the request to maintain the electricity distribution licence of Port Colborne should it gain approval for the sale of its distribution system.
- 2) Please provide greater detail on Port Colborne’s plans to consider future opportunities for the City of Port Colborne and its ratepayers should it maintain its existing electricity distribution licence including any existing plans and supporting documents.
- 3) Under section 3 of the Act a distributor is defined as:
  - a. *a person who owns or operates a distribution system.*

And a distribution system is defined as:

- b. *a system for distributing electricity, and includes any structures, equipment or other things used for that purpose;*

Under section 57 of the Act, the requirement to hold a licence, it states:

*b. ...no other person shall unless licensed to do so under this Part,  
(a) own or operate a distribution system.*

Should Port Colborne realize the sale of its distribution assets as set out in the application, will it be left owning or operating a distribution system? If the answer is no, then, given the sections of the Act referred to above, please explain how the Board can continue to licence Port Colborne as an electricity distributor if Port Colborne does not own or operate a distribution system. If the answer is yes please describe the service territory of the distribution system.

4) Please provide greater detail regarding Port Colborne's statement of:

*"various legislative changes and regulatory changes which have expanded the scope of opportunities licensed distributors can pursue (for example the ability of distributors to now incorporate certain street lighting infrastructure as regulated distribution assets)".*

Please include reference as to how these legislative and regulatory changes directly apply to an entity such as Port Colborne should it realize the sale of its distribution assets. Please explain how Port Colborne would be able to realize these regulatory and legislative efficiencies if it is no longer a distributor as defined under the Act.

5) Please provide reasons why Port Colborne cannot realize the opportunities and benefits referenced in part 1.3.4 of the application by applying for a different type of licence with the Board.

6) Schedule 1 of an electricity distribution licence defines a distributor's distribution service area and specifies the area in which the licensee is authorized to distribute and sell electricity in accordance with paragraph 8.1 of the electricity distribution licence.

a. Should Port Colborne gain approval for the proposed transaction to sell its distribution system in its entirety and keep its distribution licence will Port Colborne provide distribution services to the service area currently listed in

Schedule 1 of the licence or does Port Colborne intend to amend the Schedule 1 of its licence to serve another service area?

- i. If so, how will Port Colborne provide distribution services to this service area given the sale of its distribution system in its entirety?
- ii. Does Port Colborne plan to distribute electricity to this service area for which a charge or rate will have been established in a rate order?
- iii. If not, will Port Colborne amend its electricity distribution licence to remove the service area?
- iv. If not, how can the Board allow Port Colborne to maintain a distribution licence without a distribution service area in which it is authorized by the licence to distribute electricity?