



Ontario Energy Board Commission de l'énergie de l'Ontario

DECISION AND ORDER

EB-2017-0011

EB-2017-0122

ST. THOMAS ENERGY INC.

Application for a Service Area Amendment

BY DELEGATION, BEFORE: **Brian Hewson**
Vice President
Consumer Protection & Industry Performance

March 23, 2017

DECISION AND ORDER

THE APPLICATIONS

St. Thomas Energy Inc. (St. Thomas Energy) filed two applications, EB-2017-0011, dated January 20, 2017 and EB-2017-0122, dated March 2, 2017 under section 74 of the *Ontario Energy Board Act, 1998* (OEB Act) for an order of the Board to amend St. Thomas Energy's service area as described in Schedule 1 of its distribution licence ED-2002-0523. Since the two applications address the same matter, the proceedings were combined pursuant to Board's power under section 21(5) of the OEB Act.

The proposed service area amendments are required in order for St. Thomas Energy to provide electricity distribution services to Orchard Park Subdivision Phase 3 (Subject Area 1) and Harvest Run Subdivision Phase 1, formerly known as Axford Property Phase 1 (Subject Area 2), both in the County of Elgin. Subject Area 1 consists of 118 residential lots plus 47 condominium units and is owned by Springwater Developments Inc. (Developer 1), while Subject Area 2 consists of 104 residential lots and is owned by Doug Terry Limited (Developer 2). Both Subject Area 1 and 2 are located in the southeast section of City of St. Thomas, and are currently within the service area of Hydro One Networks Inc. (Hydro One), adjacent to St. Thomas Energy's service area.

Phase 1 and 2 of Subject Area 1 were the subject of a previous service area amendment application filed by St. Thomas Energy (EB-2011-0436), granted to St. Thomas Energy on February 14, 2012.

FINDINGS

Based on the evidence, I find it to be in the public interest to approve the service area amendments proposed by St. Thomas Energy for Subject Area 1 and 2. I have considered the applications without holding a hearing pursuant to section 6(4) of the OEB Act. The following facts are relevant to this decision.

The evidence filed with the applications demonstrates that it is more economically efficient for St. Thomas Energy to serve the proposed developments. The applicant notes St. Thomas Energy's existing distribution assets are in close proximity to the developments (50 meters for Subject Area 1 and 250 meters for Subject Area 2), while Hydro One's closest connection point is 500 meters away in both cases. The applicant notes that following discussions between St. Thomas Energy and Hydro One, the

parties concluded that St. Thomas Energy's fully allocated connection costs to service the properties are less than the equivalent costs for Hydro One for both applications, therefore, service from St. Thomas Energy is practical and involves the lowest costs to connect Developer 1 and 2.

The incumbent distributor, Hydro One, has confirmed its support of the applications through two separate consent letters filed as part of each application. In addition, Developer 1 and 2 have indicated that they prefer St. Thomas Energy as the distributor for Subject Area 1 and 2 respectively, via two separate letters of support filed as part of each application.

The applicant states that the service area amendments will not result in stranded or duplicated assets nor creation or elimination of any load transfer arrangements in both cases. No negative impact on rates, safety, reliability or service quality of St. Thomas Energy or Hydro One has been identified as a result of the proposed amendments. The evidence filed with the OEB demonstrated that the outcome of the proceeding would not produce any adverse effects on the existing customers of the distributors, nor on potential customers who may locate in Subject Area 1 and 2.

I note that Hydro One's licence is not required to be amended given the manner in which Schedule 1 of Hydro One's licence is presented.

IT IS ORDERED THAT:

1. St. Thomas Energy Inc.'s electricity distribution licence (ED-2002-0523), specifically Schedule 1 of the licence, is amended to add the following:
 6. Part of Blocks 84, 86, 87, 94 and 99 Plan 11M-193 in the City of St. Thomas, County of Elgin.
 7. Harvest Run Phase 1 consisting of lots 1 to 20 and lots 49 to 69 on Acorn Trail, lots 21 to 48 on Honey Bend, and lots 70 to 104 on Ashberry Place, Part of Blocks 117 and 118, Part of lot 10, Concession 7, Geographic Township of Yarmouth, Municipality of Central Elgin, County of Elgin.

DATED at Toronto March 23, 2017

ONTARIO ENERGY BOARD

Original signed by

Brian Hewson
Vice President, Consumer Protection & Industry Performance