



**EB-2007-0967**

**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 Whitby  
Hydro Electric Corporation and Veridian Connections Inc.  
seeking an order to amend their current Electricity  
Distribution Licences (ED-2002-0571 and ED-2002-0503  
respectively);

**AND IN THE MATTER OF** an application pursuant to  
section 86(1)(b) of the *Ontario Energy Board Act, 1998* by  
Whitby Hydro Electric Corporation seeking an order granting  
leave to sell distribution assets necessary in serving the  
public to Veridian Connections Inc.

**By delegation, before:** Jennifer Lea

### **DECISION AND ORDER**

Whitby Hydro Electric Corporation ("Whitby Hydro") and Veridian Connections Inc. (Veridian") filed a joint application with the Ontario Energy Board on December 21, 2007 under sections 74 and 86(1)(b) of the *Ontario Energy Board Act, 1998*. The application seeks an order of the Board to amend the applicants' licensed distribution service areas and to approve the sale of distribution assets necessary in serving the public from Whitby Hydro to Veridian. The Board assigned file number EB-2007-0967 to the application.

The Board issued its Notice of Application and Written Hearing on January 10, 2008. The notice was served by Whitby Hydro upon the customers located on the lands that are the subject of the service area amendment application. No customers responded to the Notice of Application and Written Hearing.

The service area amendments are granted and Whitby Hydro is granted leave to sell the distribution assets to Veridian.

### **The Application**

The proposed service area amendment will expand Veridian's service area to include the following lands located in the Town of Whitby:

- Broken Front Concession, Part Lot 34, 2.00 AC;
- Broken Front Concession, Part Lot 35, now RP 40R7831, Part 1 Regulator 0.04AC 32.81FR 49.21D;
- Concession 6, Part Lot 35 9.47AC;
- Concession 8, Part Lot 34 35.55AC;
- Concession 8, Part Lot 34, 35 now RP 40R7371, Part 1 56.50 AC;
- Concession 8, Part Lot 34, 35 and Concession 9, Part Lot 35 and Part of Road Allowance now RP 40R13254, Part 1 205.57 AC.

The service area amendments are sought in order to eliminate the long term load transfer arrangement between the two applicant distributors. A long term load transfer is a situation in which a customer is within one distributor's service area but is actually served electricity from a second distributor. In this case, Veridian is the physical distributor (i.e., provides the physical delivery of electricity to the customer) while Whitby Hydro is the geographic distributor (i.e., licensed to serve the customer).

The proposed service area amendment would transfer six customers, who are currently connected to Veridian's distribution system but are located within Whitby Hydro's licensed service area, to Veridian's licensed service area. Presently, the six customers are Whitby Hydro customers. After the amendment, these customers will be billed and served by Veridian and will effectively become Veridian customers.

The assets proposed to be sold by Whitby Hydro to Veridian in this transaction consist of one 50kVA transformer, one 15kVA transformer, one 3kVA transformer, three 10kVA transformers, and fifteen 30' poles and associated hardware. These assets serve, and will continue to serve, the transferred customers.

## **Findings**

Section 6.5.4 of the Board's Distribution System Code requires distributors to eliminate long term load transfers before January 31, 2009. Both the service area amendment and the sale of assets are prompted by this policy, and the application is consistent with the policy.

According to the application, the distribution rates for the customers being transferred will not increase as a result of the amendment. The application also states that there will be no impact on safety, reliability and service quality.

In relation to the sale of assets, the application states that it is more economically efficient for Veridian to purchase Whitby Hydro's distribution assets currently serving the customers as it would be uneconomical for Whitby Hydro to remove those assets and for Veridian to install new assets to serve these customers. The sale price for the assets proposed to be sold by Whitby Hydro to Veridian is \$2,382.94 including GST which also represents the net book value of the assets. The assets will continue to supply load to the existing customers as at present.

I find that it is in the public interest to amend the applicants' distribution licences to reflect the transfer of the above referenced customers from Whitby Hydro to Veridian. I also find that it is in the public interest to grant Whitby Hydro leave to sell the assets described above to Veridian.

## **IT IS THEREFORE ORDERED THAT:**

1. Veridian Connections Inc.'s Distribution Licence (ED-2002-0503) is amended to include the lands described above as per Schedule 1 of its amended licence which is attached to this decision and order.
2. Whitby Hydro Inc.'s Distribution Licence (ED-2002-0571) is amended to exclude the lands described above as per Schedule 1 of its amended licence which is attached to this decision and order.
3. Whitby Hydro Inc. is granted leave to sell the assets described above.

**DATED** at Toronto, April 10, 2008.

ONTARIO ENERGY BOARD

*Original signed by*

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Jennifer Lea  
Counsel, Special Projects