



EB-2008-0398

NOTICE OF APPLICATION AND WRITTEN HEARING

Application by Burlington Hydro Inc. and Milton Hydro Distribution Inc. for Licence Amendments and Sale of Distribution Assets

Burlington Hydro Inc. ("Burlington") and Milton Hydro Distribution Inc. ("Milton") have filed a joint application with the Ontario Energy Board under the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B, for an order of the Board:

- (a) amending the distribution service areas of Burlington and Milton to reflect the transfer of 40 customers from Burlington to Milton and 3 customers from Milton to Burlington to eliminate the long term load transfer arrangements between the two distributors;
- (b) approving the sale from Burlington to Milton of distribution assets necessary in serving the public to facilitate the transfer of the 40 customers proposed to be transferred from Burlington to Milton through service area amendments;
- (c) approving the sale from Milton to Burlington of distribution assets necessary in serving the public to facilitate the transfer of the 3 customers proposed to be transferred from Milton to Burlington through service area amendments;

The Board has assigned file number EB-2008-0398 to the application. The application will be decided by the Counsel, Special Projects who has been delegated this authority pursuant to section 6 of the Act.

Section 6.5.4 of the Distribution System Code

Section 6.5.4 of the Distribution System Code (the "DSC") deals with long term load transfer ("LTLT") arrangements. A load transfer is a situation in which a customer is

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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 DSC requires geographic distributors to eliminate their LTLT arrangements before January 31, 2009. This can be accomplished by either negotiating the transfer of the customers to the physical distributor or by the geographic distributor extending its system to connect the customers.

Service Area Amendment

According to the application, the service area amendments are being sought in order to eliminate the LTLT arrangements between Burlington and Milton through the transfer of the customers to the physical distributor. The applicants state that since the physical distributor has the existing facilities and is already serving the customers, it would not be cost effective for the geographic distributor to incur significant capital costs to build duplicate facilities, nor would it be sensible for the affected customers to bear these capital costs.

Burlington’s LTLT Customers Proposed to be Transferred to Milton:

The proposed service area amendments will expand Milton’s service area to include 40 customers who are currently located within Burlington’s service area but are physically supplied by Milton. Presently, the customers are considered Burlington customers and are being charged Burlington’s rates. The proposed amendments, if granted, will result in these customers becoming customers of Milton. The majority of customers will be subject to lower distribution rates, with a few customers subject to slightly higher distribution rates, and one customer will see an increase of 32.83% in distribution rates.

The 40 customers are located within the City of Burlington as follows:

- (a) three customers on No. 1 Side Road, with civic address numbers 5222, 5244, and 5300;
- (b) six customers on Bell School Line, with civic address numbers 6080, 6100, 6144, 6220, 6550 and 6500;

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- (c) thirty customers on Derry Road, with civic address numbers 5274, 5192, 5184, 5150 (three customers), 5118, 4316, 4280, 4262, 4240, 4220, 4200, 4140, 4130, 4110, 4082, 4050, 4030, 4020, 4006, 3900, 3800, 3700, 3200, 3154, 2192, 2180, 2130, 1200; and
- (d) one customer at 6740 McNivern Road.

Milton's LTLT Customers Proposed to be Transferred to Burlington

The proposed service area amendments will expand Burlington's service area to include 3 customers who are currently located within Milton's service area but are physically supplied by Burlington through a LTLT arrangement between the two distributors. Presently, the customers are considered Milton customers and are being charged Milton's rates. The proposed amendments, if granted, will result in these customers becoming customers of Burlington. Two of the customers will be subject to lower distribution rates. One customer will see a distribution rate increase of 10.68%.

The 3 customers are located within the Town of Milton on Bell School Line with the following civic address numbers: 5073 (two customers) and 5741.

Sale of Distribution Assets

Burlington is seeking approval to sell certain assets that are part of its distribution system to Milton for the net book value of the assets. Similarly, Milton is seeking approval to sell certain assets that are part of its distribution system to Burlington for the net book value of the assets. The assets will continue to be used to serve the same customers presently served by the assets.

How to See the Application

A copy of the application and related documents are available for inspection at the Board's offices in Toronto and on its website, www.oeb.gov.on.ca. A copy can also be viewed at Burlington's and Milton's offices at the addresses indicated below.

How to Participate in the Proceeding

The application will be decided by way of written hearing unless a party satisfies the Board that there is good reason for holding an oral hearing. If you object to a written hearing in this matter, you must provide written reasons why an oral hearing is necessary. Any objections to a written hearing must be received by the Board and copied to the applicant within 10 days of the date this notice was served.

If you wish to participate in the written hearing, please file a written submission setting out your views on the application with the Board and deliver it to the applicant no later than 21 days after the date this notice was served.

If the applicant wishes to respond to the submission(s), the written response must be filed with the Board and delivered to any party that made submissions no later than 28 days after the date this notice was served.

How to File Documents with the Board

If you already have a user ID, please submit your submission through the Board's web portal at www.errr.oeb.gov.on.ca. Additionally, two paper copies are required. For instructions on how to file and naming conventions, please refer to the RESS Document Guidelines found at www.oeb.gov.on.ca, e-Filing Services. Those who do not have internet access are asked to submit their submission on a CD or diskette in PDF format, along with two paper copies. You may also send your submission by post or e-mail to the addresses below.

In responding to this Notice, please include Board file number EB-2008-0398 in the subject line of your e-mail or at the top of your document. It is also important that you provide your name, postal address and telephone number and, if available, an e-mail address and fax number. All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

Need More Information?

Further information on how to participate may be obtained by visiting the Board's Web site at www.oeb.gov.on.ca or by calling our Consumer Relations Centre at 1-877-632-2727.

IMPORTANT

IF YOU DO NOT FILE AN OBJECTION TO A WRITTEN HEARING OR IF YOU DO NOT FILE A WRITTEN SUBMISSION IN ACCORDANCE WITH THIS NOTICE, THE BOARD MAY PROCEED WITHOUT YOUR PARTICIPATION AND YOU WILL NOT BE ENTITLED TO FURTHER NOTICE IN THE PROCEEDING.

ADDRESSES

The Board

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The Applicants

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DATED at Toronto February 19, 2009

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary