



EB-2006-0126

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

AND IN THE MATTER OF an application by Festival Hydro under section 74 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, Schedule B for an amendment to the service area described in its electricity distribution licence

By delegation before: Mark C. Garner

DECISION AND ORDER

THE APPLICATION

Festival Hydro filed an application dated June 2, 2006 with the Ontario Energy Board requesting an amendment to the service area described in its electricity distribution licence, ED-2002-0513. The amendment would make Festival Hydro the service provider for an area currently located in the licensed service area of Hydro One Networks Inc. The Board assigned file number EB-2006-0126 to this application.

The amendment is granted as requested.

BACKGROUND

Festival Hydro is currently licensed to serve the City of Stratford and proposes to become the service provider for a section of land which is presently in the service area of Hydro One. The area is currently vacant and unserved, and abuts property served by Festival Hydro. The City of Stratford is planning to annex the territory and use it for the construction of a recreational centre.

NOTICE OF APPLICATION

A copy of the application as filed with the Board was provided by Festival Hydro to Hydro One on June 2, 2006. Hydro One filed a letter on June 15, 2006 with the Board, and copied to Festival Hydro, in which it stated that, it would not contest the application. On June 23, 2006, the Board served a Notice of Application to Festival Hydro, the City of Stratford, Hydro One, and the Township of Perth East in which the property in question is currently located. No party intervened.

I have proceeded by way of written hearing.

REVIEW

No current customers are affected by this application. The application is for the connection of one new customer, the new recreational center, to be constructed on property which the City of Stratford is planning to annex.

Festival Hydro provided information with its application which demonstrated that it had discussed the matter of connection costs. The information provided regarding installation cost was not contested by Hydro One. The difference in installation costs arises largely from the fact that Hydro One would need to run a 0.5 km line extension across private property. Both utilities require the same financial contribution from the customer to support the connection.

In regard to distribution costs, Festival Hydro indicated that the overall cost to connect and serve this property would be lower if it were to provide the connection. Hydro One did not dispute this claim.

Festival Hydro provided evidence that Hydro One had indicated it was prepared to consent to the proposed service territory amendment. Through what appears to be a simple miscommunication between the two utilities, the application was filed with the Board without it being first reviewed by Hydro One. Festival Hydro is not required to take this step, but it appears Hydro One was expecting it would. The result was that the application contains certain statements in regard to service quality and rate comparability which Hydro One submitted are not relevant to the application, or not accurate.

It is not necessary for me to comment on those parts of the application which Hydro One disputes. For the connection which is the subject of this application, Festival Hydro is better placed to provide service. No party argued otherwise. There is no evidence that the service territory amendment if granted would result in stranded assets or any other distribution system inefficiencies which should be considered. I therefore grant the amendment as requested.

IT IS ORDERED THAT:

Schedule 1 of Electricity Distribution Licence No. ED-2002-0513 of Festival Hydro be amended to read that

“The Municipality of the City of Stratford as at February 2002, and Lot 3, Concession 2 in the Township of Perth East, Ellice Ward, Part 1 of Plan 44R-4354 (City of Stratford Recreation Complex).”

Under section 7(1) of the *Ontario Energy Board Act, 1998*, this decision may be appealed to the Board within 15 days.

Dated at Toronto, September 01, 2006.

ONTARIO ENERGY BOARD

Original Signed By

Mark C. Garner
Managing Director, Market Operations