



EB-2006-0038

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
E.L.K. Energy Incorporated to amend its Distribution
Licence Number ED-2003-0015.

By delegation, before: Mark C. Garner

DECISION AND ORDER

E.L.K. Energy Incorporated ("E.L.K. Energy") filed an application with the Ontario Energy Board (the "Board") pursuant to section 74 of the *Ontario Energy Board Act*, 1998 (the "Act"). The application was received by the Board on February 21, 2006, and information to complete the application was received on April 5, 2006. In its application, E.L.K. Energy sought an order of the Board to amend its licensed service area to include a property currently being served by way of a load transfer. The property is located at 137 Maidstone Avenue East, Essex and is described as:

PT LT 283 CON NTR MAIDSTONE; PT LT 283 CON NTR INCLUDING BLOCKS
36 TO 39 MAIDSTONE (ESSEX) PT 1, 12R5880 EXCEPT PT1, 12R6417, PT1,
12R8554, PT1, 12R10473 & PT 1 & 2, 12R16870; LAKESHORE.

The service area amendment is granted.

Background

E.L.K. Energy has stated that it filed this application in order to meet the requirements of section 6.5.4 of the Distribution System Code (the "DSC"). Section 6.5.4 of the DSC requires that during the five year period after the DSC comes into effect, the geographic distributor that serves a load transfer customer shall either:

- (a) negotiate with a physical distributor that provides load transfer services so that the physical distributor will be responsible for

- providing distribution services to the customer directly, including application for changes to the licensed service areas of each distributor; or
- (b) expand the geographic distributor's distribution system to connect the load transfer customer and service that customer directly.

The proposed service area amendment would transfer one load transfer customer to E.L.K. Energy's service area. The customer is currently connected to E.L.K. Energy's distribution assets but is located within Hydro One Networks' ("Hydro One") licensed service area. E.L.K. Energy is the physical distributor (provides physical delivery of electricity) while Hydro One is the geographic distributor (licensed to serve the customer).

The affected customer consents to becoming a customer of E.L.K. Energy. A residential development is being constructed in E.L.K. Energy's service area immediately adjacent to the customer's property. This requires the relocation of the customer's connection. The developer has agreed to pay the costs for the relocation of the existing connection.

On March 1, 2006 and March 29, 2006, Board staff sent letters to E.L.K. Energy requesting additional information that was required to complete the application.

On March 27, 2006, E.L.K. Energy submitted a letter from Hydro One providing Hydro One's consent to E.L.K. Energy's amendment proposal. E.L.K. Energy also provided a letter from the affected customer requesting service from E.L.K. Energy.

On April 5, 2006, E.L.K. Energy provided a letter from the developer of the residential development, confirming that the costs associated with relocating the existing connection will be paid by the developer.

Licensed Service Area

Pursuant to subsection 6(1) of the Act, I have been delegated the powers and duties of the Board with respect to the determination of applications made under section 74 of the Act. This order is made under the authority of that delegation and is based on the evidence filed in support of the application and the submissions of interested parties.

I have proceeded without a hearing since the affected parties have consented to the application and no other parties are adversely affected in a material way by the outcome of the proceeding.

Hydro One supported E.L.K. Energy's application. Hydro One stated that due to recent growth in the area and the development of E.L.K. Energy's distribution system, the underlying economics that supported the original load transfer connection have changed. Hydro One stated that it would be more economically efficient for E.L.K. Energy to service the affected customer.

The customer is physically connected to E.L.K. Energy's existing 27.6/16 kV circuit. The customer transfer will not require any change to the assets other than the relocation of the customer's connection which will be paid for by the developer. The customer transfer will require a billing cancellation by Hydro One, and a new account activation by E.L.K. Energy. The transfer will eliminate one load transfer connection.

E.L.K. Energy has stated that there will be no changes in service quality, or reliability as the customer is already connected to E.L.K. Energy's distribution system. Furthermore, no assets will be stranded as the assets were provided by the customer as a contribution in aid.

Since this is a consent application and the proposed amendment is consistent with the Board's policies regarding service area amendments, I find that it is in the public interest to amend the distribution licence as proposed by E.L.K. Energy.

IT IS ORDERED THAT:

E.L.K. Energy Inc.'s Distribution Licence (ED-2003-0015) is amended as per Schedule 1 as attached to this order.

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, April 26, 2006

ONTARIO ENERGY BOARD

Mark C. Garner
Managing Director Market Operations