



EB-2011-0007

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
Veridian Connections Inc. and Lakeland Power Distribution
Ltd. seeking an order to amend their current Electricity
Distribution Licences (ED-2002-0503 and ED-2002-0540,
respectively);

By delegation, before: Jennifer Lea

DECISION AND ORDER

Veridian Connections Inc. ("Veridian") and Lakeland Power Distribution Ltd. ("Lakeland") filed a joint application with the Ontario Energy Board on January 6, 2011 under section 74 of the *Ontario Energy Board Act, 1998* for a licence amendment to amend the service area of each respective distributor's electricity distribution licence.

The application addresses the long term load transfer ("LTLT") arrangement between Veridian and Lakeland. A load transfer is a situation in which a customer is 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 Board's Distribution System Code requires geographic distributors to eliminate LTLT arrangements before June 30, 2014 by either negotiating the transfer of the customers to the physical distributor or by the geographic distributor extending its system to connect the customers.

The application seeks an order of the Board to:

- (a) amend the service area in Schedule 1 of Lakeland's current electricity distribution licence to reflect the transfer of 15 LTLT customers from Veridian to Lakeland;
- (b) amend the service area in Schedule 1 of Veridian's current electricity distribution licence to reflect the transfer of 15 LTLT customers from Veridian to Lakeland.

Service Area Amendment and Sale of Distribution Assets

The proposed service area amendment would transfer 15 customers to Lakeland's licensed service area. The customers are currently located within Veridian's licensed service area and are customers of Veridian but physically served electricity by Lakeland under a LTLT agreement between the two distributors. If the proposed amendment is approved, the customers will be billed and otherwise served by Lakeland as Lakeland customers. The customers are located along Morrow Drive and Campbell's Road in Gravenhurst, Ontario.

The land that is the subject of the service area amendment is described in Appendix A to this Decision and Order.

THE PROCEEDING

The Board assigned file number EB-2011-0007 to the application and issued its Notice of Application and Written Hearing on February 3, 2011. The Notice was served upon the customers located on the lands that are the subject of the application. No one responded to the Notice.

FINDINGS

The service area amendment is prompted by the Board's policy that requires the elimination of long term load transfers. The application is consistent with Board policy.

The applicants stated that the proposed service area amendment is the most cost-efficient approach for eliminating the subject LTLT arrangement. The applicants further stated that since Lakeland is already serving the customers, it would not be cost effective for Veridian to incur significant capital costs to build the required facilities to connect the customers. In addition, the applicants indicated that the proposed service area amendment will have no impact on service quality. The current distribution rates for the customers being transferred from Veridian to Lakeland will decrease as a result

of the service area amendment.

Based on the evidence, I find that it is in the public interest to amend Schedule 1 of Veridian and Lakeland's electricity distribution licences to reflect the transfer of the subject customers from Veridian to Lakeland as requested by the applicants.

IT IS THEREFORE ORDERED THAT:

1. Veridian 's electricity distribution licence (ED-2002-0503) specifically, Schedule 1 of the licence, is amended to exclude the following lands in the Town of Gravenhurst:
 - (a) 9 & 15 Morrow Drive, in the Town of Gravenhurst.
 - (b) 1030, 1088, 1100, 1110, 1120, 1122, 1126, 1130, 1150, 1180, 1188, 1190 Campbell's Road, in the Town of Gravenhurst.
2. Lakeland's electricity distribution licence (ED-2002-0540) specifically, Schedule 1 of the licence, is amended to include the following lands in the Town of Gravenhurst:
 - (c) 9 & 15 Morrow Drive, in the Town of Gravenhurst.
 - (d) 1030, 1088, 1100, 1110, 1120, 1122, 1126, 1130, 1150, 1180, 1188, 1190 Campbell's Road, in the Town of Gravenhurst.

DATED at Toronto, March 29, 2011

ONTARIO ENERGY BOARD

Original signed by

Jennifer Lea
Counsel, Special Projects

Appendix A

Description of the Lands that are the Subject of the Service Area Amendment - EB-2011-0007

Lands Proposed to be Transferred to Lakeland's Service Area from Veridian's Service Area to Eliminate their Long Term Load Transfer Arrangement

NO	Premise Address	Legal Description ARN	Township	Customer Type
1	9 Morrow Drive	4402-020-003-05302	GRAVENHURST	Residential
2	15 Morrow Drive	4402-020-003-05400	GRAVENHURST	Residential
3	1030 Campbell's Road	4402-020-003-05300	GRAVENHURST	Residential
4	1088 Campbell's Road	4402-020-003-04403	GRAVENHURST	Residential
5	1100 Campbell's Road	4402-020-003-04401	GRAVENHURST	Residential
6	1110 Campbell's Road	4402-020-003-04400	GRAVENHURST	Residential
7	1120 Campbell's Road	4402-020-003-04503	GRAVENHURST	Residential
8	1122 Campbell's Road	4402-020-003-04501	GRAVENHURST	Residential
9	1126 Campbell's Road	4402-020-003-04504	GRAVENHURST	Residential
10	1130 Campbell's Road	4402-020-003-04600	GRAVENHURST	Residential
11	1150 Campbell's Road	4402-020-003-04502	GRAVENHURST	Residential
12	1180 Campbell's Road	4402-020-003-04500	GRAVENHURST	Residential
13	1188 Campbell's Road	4402-020-003-03800	GRAVENHURST	Residential
14	1188 Campbell's Road	4402-020-003-03800	GRAVENHURST	Residential
15	1190 Campbell's Road	4402-020-003-03700	GRAVENHURST	Residential