

EB-2007-0968

NOTICE OF APPLICATION

Application by Hydro One Networks Inc. and Guelph Hydro Electric Systems Inc. for Licence Amendments and Sale of Distribution Assets

Hydro One Networks Inc. ("Hydro One") and Guelph Hydro Electric Systems Inc. ("Guelph Hydro") 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:

- amending the applicants' distribution service areas; and
- approving the sale of distribution assets necessary in serving the public from Hydro One to Guelph Hydro.

The Board has assigned file number EB-2007-0968 to the application.

Section 6.5.4 of the Distribution System Code

Section 6.5.4 of the Board's Distribution System Code requires distributors to eliminate long term load transfers before January 31, 2009. 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. The applicants have stated that part of this service area amendment application and the sale of the distribution assets that are the subject of this application are being sought in order to eliminate the long term load transfer between Hydro One and Guelph Hydro.

Service Area Amendments

Hydro One Customers Proposed to be Transferred to Guelph Hydro to Eliminate the Long Term Load Transfer

The applicants propose to transfer 33 Hydro One load transfer customers to Guelph Hydro to eliminate the load transfer arrangements between the two distributors. Accordingly, the proposed service area amendment will expand Guelph Hydro's service area to include Hydro One's 33 load transfer customers at the following locations:

 two customers located on lot 14, concession 5, approximately 500 meters north of Laird Road on Downey Road;

- two customers located in the village of Rockwood on lot 4, concession 5 approximately 1.3 km east of Main Street, and on lot 6, concession 4 immediately north of Alma Street;
- thirteen customers located on Maltby Road on lot 16, concession 7 to the west, to lot 16, concession 8 to the east;
- fifteen customers located on Victoria Road on lot 2, concession 9 to the north to lot 15, concession 9 to the south between, Maltby Road to the south and Stone Road to the north; and
- one customer located on Watson Road on lot 6, concession1.

The customers located at the above noted locations are currently within Hydro One's service area. The proposed amendments, if granted, will result in these customers becoming customers of Guelph Hydro. As the distribution rates for the two distributors are not identical, these customers will be subject to new distribution rates if the application is approved.

Amendments to Hydro One's and Guelph Hydro's Service Area Separate from the Long Term Load Transfer

There are currently three Guelph Hydro customers who are supplied and served by Guelph Hydro even though they are in Hydro One's service area. Guelph Hydro proposes to amend its service area to include those three customers. The customers are located on:

- Wellington Street West on lot 1 through 4, concession 1 and 5; and
- Parkinson Road on lot 3, concession 4.

There is also one Hydro One customer who is supplied and served by Hydro One even though the customer is located in Guelph Hydro's service area. Hydro One proposes to amend its service area to include this customer who is located on Speedvale Avenue East approximately 200 meters east of Eramosa Road on lot 3, concession 5.

As the above noted customers will remain as customers of their current electricity distributors, they will not be subject to new distribution rates if the proposed amendments are granted.

Sale of Distribution Assets

Hydro One is seeking approval to sell part of its distribution system that is useful in serving the public to Guelph Hydro. Guelph Hydro will purchase these assets from Hydro One for net book value. 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. A copy can also be viewed at the Hydro One and Guelph Hydro 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 applicants within 10 days of the date this notice was served. The Board does not intend to provide for an award of costs when deciding this application.

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 applicants no later than 21 days after the date this notice was served.

If the applicants wish to respond to the submission(s), the written response must be filed with the Board and delivered to all parties who 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-2007-0968 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

(for viewing copies of the application)

The Board

Ontario Energy Board P.O. Box 2319 2300 Yonge Street, 27th Floor Toronto, ON M4P 1E4 Attention: Board Secretary

Tel: 1-877-632-2727 ((toll free)

Fax: 416-440-7656

E-mail: Boardsec@oeb.gov.on.ca

The Applicants

Hydro One Networks Inc. 8th Floor, South tower 483 Bay Street Toronto, ON M5G 2P5 Attention: Mr. Allan Cowan

Tel: 416-345-6219 Fax: 416-345-5866

E-Mail: allan.cowan@hydroone.com

Guelph Hydro Electric Systems Inc.

395 Southgate Drive Guelph, ON N1G 4Y1

Attention: Mr. Arlen Molyneaux

Tel: 519-822-4710 Fax: 519-836-4963

E-mail: amolyneaux@guelphhydro.com

DATED at Toronto January 24, 2008

ONTARIO ENERGY BOARD

Original signed by

John Pickernell Assistant Board Secretary