



EB-2007-0099

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
Cambridge and North Dumfries Hydro Inc. to amend its
Electricity Distribution Licence ED-2002-0574.

By delegation, before: Jennifer Lea

DECISION AND ORDER

Cambridge and North Dumfries Hydro Inc. ("Cambridge") filed an application with the Ontario Energy Board under section 74 of the *Ontario Energy Board Act, 1998* for an order of the Board to amend Cambridge's licensed service area in Schedule 1 of its electricity distribution licence (ED-2002-0574). The application was received by the Board on March 20, 2007.

This service area amendment is required in order for Cambridge to supply electricity to, and receive electricity from, certain portions of Delft Blue Veal Inc.'s ("Delft") land as these certain portions of land are currently located within Hydro One Networks Inc.'s ("Hydro One") licensed service area. These lands are described as the North Half of Lot 12, Conc. 9, City of Hamilton, #2120 10th concession West.

The service area amendment is granted on the condition that Delft enters into a standard offer program contract with the Ontario Power Authority. If Delft enters into a standard offer program contract with the Ontario Power Authority, then the service area amendment is granted and will become effective 90 days after the execution of the standard offer program contract. If Delft does not enter into a standard offer program contract, then the service area amendment will not take effect.

I have proceeded without a hearing under section 21(4)(b) of the Act as no person will be adversely affected in a material way by the outcome of this proceeding and the applicant has consented to disposing of the application without a hearing.

Reasons

Cambridge applied for a service area amendment in order to supply electricity to, and receive electricity from, Delft's proposed generators to be located on the portion of land that is currently within Hydro One's service area. Cambridge will be required to construct about 1.6 kilometres of 16 kV distribution line to connect the Delft generation facilities to an existing Cambridge circuit. Delft has agreed to pay the cost of the distribution line (or, more precisely, the actual cost of the line less any credit that results from the economic evaluation formula which takes into account any new revenue that will be attributable to Delft).

Hydro One has consented to this service area amendment on the basis that service by Cambridge to Delft's generation facilities would be more economically efficient than service from Hydro One. Delft has also requested that Cambridge provide service to the Delft generation facilities. Cambridge has stated that no other customers of Cambridge or Hydro One will be affected by the proposed service area amendment.

Both Hydro One and Cambridge requested that the service area amendment be effective not earlier than 90 days after the Ontario Power Authority enters into a standard offer contract with Delft.

This application is premature. The service area amendment is necessary only if Delft enters into a standard offer program contract. The application for a service area amendment should not be made until the standard offer program contract is signed. Nevertheless, I am prepared to make an order granting the service area amendment on a conditional basis. In the circumstances of this case, the public interest to be gained by facilitating the construction and operation of the generation facilities outweighs the disadvantages imposed by the uncertainty and complexity arising from the conditional order.

I find that it is in the public interest to amend Cambridge's electricity distribution licence as proposed by Cambridge provided that Delft enters into a standard offer program contract with the Ontario Power Authority. The service area amendment will become effective 90 days after the standard offer program contract is executed by both parties to the contract. However, if Delft does not enter into a standard offer program contract, then the service area amendment will not take effect and this decision and order may be reviewed and it may be varied or cancelled.

I understand that there is a fixed amount of time in which a standard offer program participant must bring its generation facilities into commercial operation under the standard offer program contract. If the generation facilities are not brought into commercial operation within that time frame, any of the parties to this proceeding may inform the Board of this fact, and this decision and order may be varied or cancelled.

IT IS ORDERED THAT:

1. Schedule 1 of Cambridge and North Dumfries Hydro Inc.'s Electricity Distribution Licence (ED-2002-0574) will be amended to include the North Half of Lot 12, Conc. 9, City of Hamilton, #2120 10th concession West, if Delft enters into standard offer program contract with the Ontario Power Authority.
2. The service area amendment will come into effect 90 days after the standard offer program contract is executed by both parties to the contract.
3. Cambridge and North Dumfries Hydro Inc. is required to notify the Board once the Ontario Power Authority and Delft Blue Veal Inc. have entered into a standard offer program contract.
4. The amended licence will be issued to Cambridge and North Dumfries Hydro Inc. once the service area amendment becomes effective.

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

DATED at Toronto, July 19, 2007

ONTARIO ENERGY BOARD



Jennifer Lea
Special Advisor, Market Operations