



EB-2015-0034

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
Ottawa River Power Corporation to amend its Electricity
Distribution Licence ED-2003-0033

By delegation, before: Peter Fraser

DECISION AND ORDER

June 18, 2015

Ottawa River Power Corporation (Ottawa River) filed an application on February 11, 2015 with the Ontario Energy Board (the OEB) under section 74 of the *Ontario Energy Board Act*, 1998 to amend its electricity distributor licence. The application seeks an extension of Ottawa River's exemption from the requirements of section 3.2 of the Retail Settlement Code (RSC) and section 2.2.2 of the Standard Supply Service Code (SSS). The exemption was originally granted by the OEB in proceeding EB-2008-0289.

The OEB issued a Notice of Application and Hearing on March 4, 2015. No other party except for OEB staff participated in the hearing. OEB staff filed interrogatories on March 31, 2015 and Ottawa River responded to the interrogatories on April 14, 2015. OEB staff filed a submission on the application on April 28, 2015. Ottawa River did not file a reply submission.

Ottawa River proposes to continue an arrangement whereby Ottawa River purchases approximately 30 percent of its power requirements from the Waltham Generating Station. This generating station is owned by Brookfield Energy Marketing Inc.

(Brookfield Energy) and is located in the Province of Quebec, about 15 miles from Ottawa River's service area. The energy supply contract entered into between Brookfield Energy and Ottawa River took effect in 2009 and is set to end on November 15, 2015. Section 5 (b) of the contract contemplates that the parties have the right to extend the contract for a further period of five years. Ottawa River and Brookfield Energy agreed to extend the term of the contract to November 30, 2020. Their agreement to extend the contract is, however, conditional on OEB approval of the extension of Ottawa River's exemption from the requirements of section 3.2 of the RSC and section 2.2.2 of the SSS.

The OEB's Decision and Order in proceeding EB-2008-0289 was issued on July 22, 2009. Therein, the OEB granted Ottawa River an exemption from the requirements of section 3.2 of the RSC and section 2.2.2 of the SSS. The Decision and Order also stated that, at the time of filing its next application to continue the arrangement with Brookfield Energy to supply power, Ottawa River would be expected to file evidence demonstrating the continuation and level of benefits to its customers.

In this proceeding, Ottawa River demonstrated that over the initial five year period of the current energy supply contract, its customers benefited from decreased transmission rates as well as rate rider credits due to the avoided wholesale, transmission network and transmission connection charges. Considering that the contract will be amended only to extend the term to 2020, with no other material changes, it is reasonable to expect that Ottawa River's customers will continue to benefit through the sharing of avoided transmission and market costs with the Waltham Generating Station.

I find that Ottawa River has demonstrated that customer benefits exist and will continue to exist under the power supply contract with Brookfield Energy sufficient enough to warrant an extension of Ottawa River's exemption from the requirements of section 3.2 of the RSC and section 2.2.2 of the SSS. The exemption, however, is only effective for the duration of the contractual agreement between Ottawa River and Brookfield Energy and will be terminated on such date as the contract is discontinued or amended. At the time of filing the next application to possibly continue the arrangement with Brookfield Energy to supply power, Ottawa River shall file a copy of a new contract and evidence demonstrating the continuation and level of benefits to customers.

IT IS THEREFORE ORDERED THAT:

1. Ottawa River Power Corporation is granted, for the duration of the contractual agreement between Ottawa River and Brookfield Energy, an extension of the exemption from section 2.2.2 of the Standard Supply Code and section 3.2 of the Retail Settlement Code.

DATED at **Toronto**, June 18, 2015

ONTARIO ENERGY BOARD

Original signed by

Peter Fraser
Vice President, Industry Operations and Performance