October 28, 2015

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
27th Floor/ P.O. Box 2319
2300 Yonge St.
Toronto, ON M4P 1E4

Dear Ms. Walli:

Re: Elimination of Long Term Load Transfer Arrangements
Halton Hills Hydro Inc.,
OEB Proceeding: EB-2015-0006

Halton Hills Hydro Inc. ("HHHI") thanks the Ontario Energy Board ("OEB") for the opportunity to comment on the revised proposed amendments to the Distribution System Code in relation to the elimination of long term load transfer arrangements.

For ease of communicating service changes to customers and physically changing meters, HHHI supports the OEB proposal that load transfer customers being transferred from the geographical distributor to the physical distributor should be done at the same time instead of only when a customer moves out.

HHHI would recommend that any Service Area Amendments ("SAA") be a joint submission by the physical and geographical distributors. While the geographical distributor has all the customer information, it is the physical distributor who will be responsible for implementing the rate mitigation addressed in the SAA. HHHI feels that a joint submission would represent the most complete application and ensure that both the physical and geographical distributors are in agreement concerning all aspects of the application.

HHHI supports the use of the Delivery charges rather than just Distribution charges. However, HHHI would like the OEB to clarify that the delivery charges referred to in the proposed amendments refer to those delivery charges as they appear on the Tariff of Rates and Charges or those charges that are included in the Delivery line on a customer's bill. The Delivery line on a customer's bill also includes all line loss calculations, including those related to charges included in Regulatory and Electricity lines.

In addition to clarification on the charges included to determine mitigation, HHHI requires further details on how the actual monthly mitigation credit would be calculated. Would the calculation be a fixed credit for the duration of the mitigation or would the amount change each month? HHHI suggests the monthly rate mitigation credit be calculated at the time of the transfer only and should not be recalculated for the duration of the mitigation period. HHHI agrees that a monthly charge is simpler to implement than a percentage based calculation or a variable kWh based calculation.

HHHI further notes that the administrative and financial burden required to transfer, monitor and mitigate these customers would be borne by the existing customers as determined through cost allocation, however, those same customers causing the additional costs, would be held harmless in the allocation process of those costs. This situation is contrary to the OEB's views of just and reasonable rate making. As such, HHHI believes that the most effective, efficient, just and reasonable load transfer elimination rate mitigation method would be to cease the mitigation measures when the physical distributor receives approval of their next Cost of Service application or the customer moves, whichever comes first.

The OEB states the principles underlying the criteria under which all load transfer arrangements would be eliminated are "to minimize the impacts on the load transfer customers and avoiding unnecessary costs being imposed on consumers due to an uneconomic distribution system expansion by a geographic distributor for the sole purpose of connecting load transfer customers". HHHI would like to point out that some distribution system expansions are a result of careful analysis and risk assessments related to Distribution System Plans. For example, a road widening project that requires relocation of plant would allow a distributor to economically expand and/or upgrade their system through a joint pole line agreement. The primary purpose of this project would be to ensure greater reliability in a cost effective manner, however, while not the sole or primary purpose of the expansion, in some cases, the result of these expansions would allow for the geographical distributor to provide the physical service to previous load transfer customers. HHHI feels that the OEB should allow for load transfer elimination extensions in cases where the expansion of services is already planned and approved through the distributor's Distribution System Plan.

HHHI would also like to note that the OEB should address customer notification in the implementation of these amendments. HHHI feels that the OEB's focus on the customer should continue and consistent, provincial communication should be addressed.

Notwithstanding the comments above, HHHI considers the continuation of long term load transfers to be the most economically efficient method to service these customers.

In the event of any additional information, questions or concerns, please contact Tracy Rehberg-Rawlingson, Regulatory Affairs Officer, at tracyr@haltonhillshydro.com or (519) 853-3700 extension 257.

Sincerely,

(Original signed)

Tracy Rehberg-Rawlingson
Regulatory Affairs Officer

Cc: Arthur A. Skidmore, CPA, CMA, President & CEO
David J. Smelsky, CPA, CMA, CFO