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Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
26th Floor, Box 2319
Toronto, ON M4P 1E4

Dear Ms. Walli:

Re: Enersource Hydro Mississauga Inc., Horizon Utilities Corporation, PowerStream Inc. (collectively, the “Applicants”) – Application under Section 86 of the *Ontario Energy Board Act, 1998*

Board File No. EB-2016-0025

We, together with Aird & Berlis LLP, are counsel to the Applicants in the above-captioned matter. On Friday September 16, 2016, the Applicants amended the current Application by adding an LDC Co Distributor Licence Application. Since then, we have received a request from counsel to the School Energy Coalition for a draft form of Licence, and the Applicants agree that this may be helpful to the Board.

Please find accompanying this letter a draft consolidated form of Distributor Licence for LDC Co. The key features of the draft are as follows:

- The draft refers to four Rate Zones – the Brampton Rate Zone; the Enersource Rate Zone; the Horizon Utilities Rate Zone; and the PowerStream Rate Zone. The origin of those Rate Zones is set out in Schedule 1 (Definition of Distribution Service Area), and the descriptions of the four service areas has been consolidated into a single Schedule 1.
- The current Licences of the four consolidating utilities were most recently amended as of January 28, 2016, to reflect the OEB’s Decision in EB-2016-0015, in which the OEB determined that it would amend the Licences of all rate-regulated electricity distributors in order to allow them to charge market rates for wireless pole attachments. The bodies of the four existing Licences appear to be consistent, with the exception that in Section 21.1.1, the 2011-2014 Conservation and Demand Management-related targets for reductions in electricity consumption and peak demand differ for each distributor. The draft Section 21.1.1 includes the four targets, arranged by Rate Zone (highlighted in turquoise).
- The proposed description of the Enersource Rate Zone in Schedule 1 contains an exclusion that is not in Enersource’s current Distributor Licence (ED-2003-0017). That exclusion (the description is highlighted in turquoise in the draft Licence) pertains to a Joint Application for the Elimination of Load Transfer Arrangements filed by Enersource

and Oakville Hydro Electricity Distribution Inc. (EB-2016-0244) filed with the OEB on August 9, 2016. If the Application is approved, the subject lands will become part of the Oakville Hydro service area.

- Because items such as Code Exemptions are often specific to individual distributors, the Applicants have also organized other Schedules (and one Appendix) of the draft Licence according to Rate Zones. These include Schedule 3 (List of Code Exemptions), Schedule 4 (List of RRR Exemptions) and Appendix B (Land Descriptions – PowerStream Rate Zone).
- As discussed during the Oral Hearing, the Applicants will not be in a position to bill former Enersource and Horizon Utilities Residential and General Service < 50kW customers on a monthly basis in accordance with section 2.6.1A of the *Distribution System Code* by December 31, 2016, when that section comes into force. Specifically, because Enersource and Horizon Utilities will be migrating to the PowerStream Customer Information System (“CIS”) system; because it will be necessary to complete that migration for a Rate Zone before monthly billing can be implemented; and because that migration will be staggered, the Applicants do not expect to be able to bill Residential and GS < 50 kW customers in the Enersource Rate Zone on a monthly basis until later in 2018, and they do not expect to be able to bill Residential and GS < 50 kW customers in the Horizon Utilities Rate Zone on a monthly basis until later in 2019. The Applicants request that the OEB approve exemptions from section 2.6.1A that would expire December 31, 2018 in the case of the Enersource Service Area and December 31, 2019 in the case of the Horizon Utilities service area, as part of its disposition of the Licence Application. The proposed exemptions are highlighted in turquoise in the draft Schedule 3.
- Finally, the Applicants have included a new Schedule 5, which incorporates the proposed additional Licence conditions set out in our letter to the OEB dated September 16, 2016. Those proposed conditions deal with the tracking and reporting of performance on an individual rate zone basis for the first three years following the completion of the consolidation. It is also highlighted in turquoise for ease of reference.

We trust that this will be of assistance to the OEB, and we thank you for your consideration in this matter. Please do not hesitate to contact me should you have any questions about the draft Licence.

Yours very truly,

BORDEN LADNER GERVAIS LLP

Per:

Original Signed by James C. Sidlofsky

James C. Sidlofsky

Encl.

cc: G. DeJulio, Enersource
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Intervenors of Record