



Ontario Energy Board Commission de l'énergie de l'Ontario

DECISION AND ORDER

EB-2016-0249

HYDRO ONE NETWORKS INC.

SIOUX LOOKOUT HYDRO INC.

Joint Application for Elimination of Load Transfer Arrangements

BY DELEGATION, BEFORE: Peter Fraser
Vice President

November 17, 2016

INTRODUCTION AND SUMMARY

Hydro One Networks Inc. (Hydro One) and Sioux Lookout Hydro Inc. (Sioux Lookout) have jointly applied to the Ontario Energy Board (OEB) for approval to amend the service areas of both distributors such that all existing load transfer arrangements between the two distributors are eliminated. A load transfer arrangement is a situation in which an electricity consumer located in the licensed service area of one distributor (the geographic distributor) is physically served by another distributor (the physical distributor).

The application is granted, as set out in this Decision and Order.

THE PROCESS

This Decision and Order is being issued without a hearing by Delegated Authority, pursuant to Section 6(4) of the *Ontario Energy Board Act, 1998* (the Act).

THE APPLICATION

Hydro One and Sioux Lookout (collectively, the Applicants) filed a joint application on August 11, 2016 under sections 74 and 86(1)(b) of the Act. Sioux Lookout filed their update to the application on September 9, 2016, in response to the OEB staff's request for Schedule 1 description of Sioux Lookout's electricity distribution licence ED-2002-0514.

The application was filed pursuant to the Distribution System Code (DSC) amendments made in the OEB proceeding EB-2015-0006 and in accordance with the OEB's filing guidelines for combined service area amendments and sale of assets. In the EB-2015-0006 proceeding, the OEB set out its policy on the elimination of load transfer arrangements between electricity distributors in Ontario. On December 21, 2015, the DSC was amended in order to facilitate distributors' compliance with the policy. In particular, section 6.5.3 of the DSC now requires distributors to eliminate all load transfer arrangements by June 21, 2017, and section 6.5.6 prohibits distributors from entering into any new load transfer arrangements.

Through the application, Hydro One seeks to transfer 38 specific customers of various rate classes to Sioux Lookout. Of these customers, 14 are “Residential”, 9 are “General Service”, 12 are “Seasonal” customers and 3 are “Sentinel Light” accounts. Hydro One also requests OEB’s approval to sell the distribution assets servicing these customers to Sioux Lookout for \$147,841.98 plus applicable taxes.

There are no customers and assets being transferred from Sioux Lookout to Hydro One.

The application notes that Bell Canada is the only joint use partner on the poles subject to this sale. Hydro One has provided Bell Canada’s consent and approval to sell the poles, subject to this application.

The Applicants state that no assets will be stranded if the application is approved.

FINDINGS

I find it to be in the public interest to approve the service area amendments and sale of assets as proposed by the Applicants in order to eliminate the load transfer arrangements between Hydro One and Sioux Lookout. Sioux Lookout’s licence will be amended to reflect the proposed transfer of affected customers. I note that Hydro One’s licence is not required to be amended given the manner in which Schedule 1 of Hydro One’s licence is presented.

The affected customers being transferred from Hydro One to Sioux Lookout will see a reduction in their monthly delivery charges and, therefore, no credits are required for these customers.

An itemized list of assets authorized for transfer from Hydro One to Sioux Lookout is set out in Schedule A of this Decision and Order.

IT IS ORDERED THAT:

1. Schedule 1 of Sioux Lookout Hydro Inc.'s Electricity Distribution Licence (ED-2002-0514) is amended. The amended licence is attached to this Decision and Order.
2. Hydro One Networks Inc. is granted leave to sell assets listed in Schedule A (Table 1) to Sioux Lookout Hydro Inc.

DATED at Toronto November 17, 2016

ONTARIO ENERGY BOARD

Original Signed By

Peter Fraser
Vice President

SCHEDULE A

List of assets being transferred between Hydro One and Sioux Lookout:

Table 1 - List of assets being sold by Hydro One to Sioux Lookout

Asset Type	Count
Poles	56
Transformers	26
Primary Wire and Neutral (m)	17,763.6
Secondary Buss (m)	-
Secondary O/H Wire (m)	1,080
Secondary U/G Wire (m)	504
Current Transformers	29
Sentinel Lights	3
Easements	-
Total (\$) before applicable taxes	\$147,841.98

There are no assets being transferred from Sioux Lookout to Hydro One.