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January 24, 2017

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
PO Box 2319
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: Halton Hills Hydro Inc., Request for Temporary Exemption from section 6.5.3 of the Distribution System Code (Long Term Load Transfer Elimination)
Board File Number EB-2016-0366**

Hydro One Brampton Networks Inc. ("HOBNI" or the "Company") respectfully provides its submission in response to Halton Hills Hydro Inc.'s ("HHHI" or the "Applicant") request for a temporary exemption from section 6.5.3 of the Distribution System Code ("DSC"). HOBNI is directly affected by HHHI's exemption request. By way of this correspondence, the Company wishes to express its position regarding the exemption sought for the long-term load transfer in question.

Background

HOBNI is a corporation incorporated pursuant to the *Ontario Business Corporations Act* with its head office in the City of Brampton. The Company carries on the business of distributing electricity within the City of Brampton as a licensed distributor, operating pursuant to license ED-2003-0038.

Hydro One Brampton's service territory abuts the service territory of the Applicant along Winston Churchill Blvd. As a result, there are customers who are geographically located within the service territory of HHHI, but are physically supplied with electricity by Hydro One Brampton ("LTLT Arrangement").

On December 21, 2015, the Ontario Energy Board ("OEB") issued final amendments to the DSC[1], stating in the amended section 6.5.3 that "[a]ll load transfer arrangements shall be eliminated by transferring the load transfer customers to the physical distributor by June 21, 2017."

On December 12, 2016, HHHI submitted the above-mentioned application for a temporary exemption from the requirements of section 6.5.3 of the DSC, until the construction of the infrastructure that is necessary to allow physical supply of electricity by HHHI is completed in 2018.

On January 4, 2017, the Board issued an information letter (the "Letter"), stating that a Delegated Authority would decide the application. The Letter also identified that the Delegated Authority intends to make a decision on the application without holding a hearing. The Letter further stated that once the application is complete, the Delegated Authority expects to issue a final decision within 60-90 days.

<u>HOBNI's Position</u>

HOBNI is currently in a position to serve these customers, as the physical distributor. Further, HOBNI can serve the customers on an ongoing and permanent basis, as the geographic distributor of record, through the immediate elimination of the LTLT. HHHI has sought an exemption from the DSC. However, the final amendments to the DSC were clear that an exemption could only be sought:

> *"…if an expansion that would connect the load transfer customers had been approved before the final amendments are issued, the load transfer should not need to be eliminated. The OEB agrees with this suggestion as the load transfer will be eliminated without the need for approval of any incremental costs. In such cases, a request for an exemption can be made by distributors as part of the applicable SAA application. However, any request for an exemption will need to be accompanied by evidence that the expansion was approved by the OEB before the final amendments were made."* [2]

[1] Notice of Amendments to the Code – Amendments to the Distribution System Code (EB-2015-0006), December 21, 2015.
[2] *Ibid*, page 3.

In filing the request for an exemption, HHHI has put HOBNI in a position of potential noncompliance with the DSC. HOBNI is in a position to achieve compliance with the DSC and eliminate the LTLT and serve the customers. Finally, HOBNI observes that the ability to request a DSC exemption is predicated on the previous approval of a system expansion. While HHHI filed its last (i.e., most recent) Cost of Service Application on October 2, 2015, the OEB did not issue a decision on that application until March 24, 2016, three months after the DSC amendments came into force.

As identified above, the timeline for LTLT Arrangements elimination is June 21, 2017. Should the OEB consider the exemption request within 60-90 days, as indicated in the Letter and potentially dismiss it, the HHHI and HOBNI will find themselves in a position where they will need to eliminate the LTLT arrangements in an unreasonably short period of time; failure to do so may result in the lack of compliance with the DSC.

There should be nominal financial impact to customers as a result of LTLT elimination. HOBNI's rates are similar to those of HHHI, as shown in the table below.

Table 1 - Monthly Rates Charged to Residential and GS<50 kW Customers (as of 2016)

Rate Class	Charge Type	HHHI	HOBNI
Residential	Service Charge	$17.04	$14.32
	Volumetric Rate	$.0100 / kWh	$0.0118 / kWh
GS<50 kW	Service Charge	$27.51	$24.77
	Volumetric Rate	$0.0099 / kWh	$0.0164 / kWh

HOBNI can easily continue serving these customers. HOBNI has extensive assets on the east side of Winston Churchill Blvd; the financial transactions between HHHI and HOBNI to effect the elimination of the LTLT will be consistent with the guidelines[3] provided by the OEB.

Conclusion and Recommendations

HOBNI confirms its willingness, readiness and ability to include the customers in question in its distribution system, with the cooperation of HHHI. HOBNI believes that it is the simplest and

[3] Elimination of Load Transfer Arrangements (EB-2015-0060), March 30, 2016.

most economical way, as demonstrated above, to comply with the requirements of the DSC and eliminate the LTLT by June 21, 2017.

Should the Board decide to hold a hearing regarding this issue, HOBNI respectfully requests the opportunity to be a party to the proceeding. HOBNI suggests that this matter could be dealt with by way of written hearing.

Please do not hesitate to contact the undersigned if you have any questions.

Sincerely,

Original signed by

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