



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

DECISION AND ORDER

EB-2016-0335

HYDRO ONE NETWORKS INC.

ORANGEVILLE HYDRO LIMITED

Joint Application for Elimination of Load Transfer Arrangements

BY DELEGATION, BEFORE: Brian Hewson
Vice President
Consumer Protection and Industry Performance

February 16, 2017

INTRODUCTION AND SUMMARY

Hydro One Networks Inc. (Hydro One) and Orangeville Hydro Limited (Orangeville) 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 Orangeville (collectively, the Applicants) filed a joint application on November 25, 2016 under sections 74 and 86(1)(b) of the Act.

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, Orangeville (geographic distributor) seeks to transfer two specific customers of various rate classes to Hydro One (physical distributor). Of these customers, one is a "General Service" and the other one is an "Unmetered Scattered Load" customer. There are no customers being transferred from Hydro One to Orangeville, as part of this application.

Further, there are no assets being transferred between Orangeville and Hydro One in this application. The load transfer customers moving from Orangeville to Hydro One are already supplied using assets owned by Hydro One. These assets are located within the territory that will be transferred from Orangeville to Hydro One.

The application notes that there are no third parties impacted by this transfer. 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 as proposed by the Applicants in order to eliminate the load transfer arrangements between Hydro One and Orangeville. Hydro One and Orangeville's licences will be amended to reflect the proposed transfer of affected customers.

As prescribed in section 6.5.4 of the DSC, the affected customers moving from Orangeville to Hydro One shall receive a monthly bill credit to offset the increase in delivery charges. The credit shall be calculated using each customer's average monthly consumption over the most recent 12 months from the application filing date with the OEB. The credit shall be fixed at this calculated level and remain in place as long as the customer remains the account holder.

Hydro One and Orangeville are reminded that both geographic and physical distributors shall ensure that all relevant consumer information including, but not limited to, information regarding security deposits and consumption, is properly transferred to the physical distributor to allow for the continuous billing of consumers and the continuous application of Ontario Electricity Support Program (OESP) rate assistance to the bills of eligible consumers.

Hydro One requested a deferral account to record lost revenue resulting from the rate impact mitigation plan as well as any costs involved in the set-up of such a plan. The OEB will allow Hydro One to track these costs in a deferral account. Hydro One shall record these costs in account 1508, Other Regulatory Assets, Sub-account LTLT Rate Impact Mitigation. Consideration of the disposition of the deferral account will occur in the normal manner in the rate setting process.

IT IS ORDERED THAT:

1. Schedule 1 (Appendix B, Tab 4) of Hydro One Networks Inc.'s Electricity Distribution Licence (ED-2003-0043) is amended. The amended licence is attached to this Decision and Order.
2. Schedule 1 of Orangeville Hydro Limited's Electricity Distribution Licence (ED-2002-0500) is amended. The amended licence is attached to this Decision and Order.

DATED at Toronto February 16, 2017

ONTARIO ENERGY BOARD

Original signed by

Brian Hewson
Vice President, Consumer Protection and Industry Performance