



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

DECISION AND ORDER

EB-2017-0228

HYDRO ONE NETWORKS INC.

E.L.K. ENERGY INC.

Joint Application for Elimination of Load Transfer Arrangements

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

June 29, 2017

INTRODUCTION AND SUMMARY

Hydro One Networks Inc. (Hydro One) and E.L.K. Energy Inc. (E.L.K.) have jointly applied to the Ontario Energy Board (OEB) for approval to amend the service areas of both distributors such that load transfer arrangements between the two distributors are eliminated. A load transfer arrangement is a situation in which a customer 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 E.L.K. (collectively, the Applicants) filed a joint application on June 7, 2017 under sections 74 and 86(1)(b) of the Act.

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

Through the application, Hydro One seeks to transfer 13 "Residential", 2 "General Service" and 1 "Sentinel Light" customers to E.L.K. There are no customers being transferred from E.L.K. to Hydro One, as part of this application.

Hydro One also requests the OEB's approval to sell the distribution assets servicing the affected customers to E.L.K for \$4,713 plus applicable taxes. The Applicants submit that there are no third parties impacted by this sale and no assets will be stranded, if the application is approved.

FINDINGS

The OEB finds 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 E.L.K. E.L.K.'s licence will be amended to reflect the proposed transfer of the affected customers, however, 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 Residential and General Service customers being transferred from Hydro One to E.L.K. will see a reduction in their monthly delivery charges and, therefore, no credits are required for these customers.

Hydro One and E.L.K. are reminded that both geographic and physical distributors shall ensure that all relevant customer 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 customers and the continuous application of Ontario Electricity Support Program (OESP) rate assistance to the bills of eligible customers.

IT IS ORDERED THAT:

1. Schedule 1 of E.L.K. Energy Inc.'s Electricity Distribution Licence (ED-2003-0015) 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 E.L.K. Energy Inc.

DATED at Toronto June 29, 2017

ONTARIO ENERGY BOARD

Original Signed By

Brian Hewson
Vice President, Consumer Protection and Industry Performance

SCHEDULE A

The assets being transferred between Hydro One and E.L.K. are listed below:

Table 1 - List of assets being sold by Hydro One to E.L.K.

Asset Type	Count
Poles	-
Transformers	1
Primary Wire and Neutral (m)	-
Secondary Buss (spans)	-
Secondary O/H Wire (m)	-
Secondary U/G Wire (m)	-
Current Transformers	-
Sentinel Lights	1
Easements	-
Total (\$) before applicable taxes	\$4,713