



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

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## **DECISION AND ORDER**

**EB-2017-0197**

**NIAGARA PENINSULA ENERGY INC.**

**NIAGARA-ON-THE-LAKE HYDRO INC.**

**Joint Application for Elimination of Load Transfer Arrangements**

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

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**June 29, 2017**

## INTRODUCTION AND SUMMARY

Niagara Peninsula Energy Inc. (NPEI) and Niagara-on-the-Lake Hydro Inc. (NOTLH) 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 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

NPEI and NOTLH (collectively, the Applicants) filed a joint application on May 11, 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, NPEI seeks to transfer six "Residential" and three "General Service" customers to NOTLH and also requests the OEB's approval to sell the distribution assets servicing the affected customer to NOTLH for \$20,879 plus applicable taxes.

NOTLH seeks to transfer three "Residential" and two "General Service" customers to NPEI and also requests the OEB's approval to sell the distribution assets servicing the affected customers to NPEI for \$9,008 plus applicable taxes.

The Applicants submit that upon approval of the application, the existing meters will be replaced with meters belonging to the physical distributor. The Applicants also submit the residual value of any meters that would not be reutilized is immaterial.

The Applicants state that both distributors have joint use agreements with Bell Canada and some of the poles involved in this transaction are jointly used by Bell Canada; as such, no new arrangements will be necessary. The Applicants will work with Bell Canada to modify their existing permits to reflect the impact of this application.

## **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 NPEI and NOTLH. NPEI and NOTLH's licences will be amended to reflect the proposed transfer of the affected customers.

As prescribed in section 6.5.4 of the DSC, the affected Residential and General Service customers moving from NOTLH to NPEI 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.

The Residential and General Service customers being transferred from NPEI to NOTLH will see a reduction in their monthly delivery charges and, therefore, no credits are required for these customers.

NPEI 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 NPEI to track these costs in a deferral account. NPEI shall record these costs in account 1508, Other Regulatory Assets, Sub-account LTLT Rate Impact Mitigation. The disposition of the deferral account will be subject to an OEB determination of prudence, which will occur in the rate setting process.

NPEI and NOTLH 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.

**IT IS ORDERED THAT:**

1. Schedule 1 of Niagara Peninsula Energy Inc.'s Electricity Distribution Licence (ED-2007-0749) is amended. The amended licence is attached to this Decision and Order.
2. Schedule 1 of Niagara-on-the-Lake Hydro Inc.'s Electricity Distribution Licence (ED-2002-0547) is amended. The amended licence is attached to this Decision and Order.
3. Niagara Peninsula Energy Inc. is granted leave to sell assets listed in Schedule A (Table 1) to Niagara-on-the-Lake Hydro Inc.
4. Niagara-on-the-Lake Hydro Inc. is granted leave to sell assets listed in Schedule A (Table 2) to Niagara Peninsula 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 NPEI and NOTLH are listed below:

Table 1 - List of assets being sold by NPEI to NOTLH

Asset Type	Count
Poles	13
Transformers	4
Primary Wire and Neutral (m)	608
Secondary Buss (spans)	-
Secondary O/H Wire (m)	650
Secondary U/G Wire (m)	189
Current Transformers	4
Sentinel Lights	-
Easements	-
<b>Total (\$) before applicable taxes</b>	<b>\$20,879</b>

Table 2 - List of assets being sold by NOTLH to NPEI

Asset Type	Count
Poles	13
Transformers	3
Primary Wire and Neutral (m)	680
Secondary Buss (spans)	-
Secondary O/H Wire (m)	220
Secondary U/G Wire (m)	126
Current Transformers	1
Sentinel Lights	-
Easements	-
<b>Total (\$) before applicable taxes</b>	<b>\$9,008</b>