



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

DECISION AND ORDER

EB-2017-0248

HYDRO ONE NETWORKS INC.

ENERGY+ INC.

Joint Application for Elimination of Load Transfer Arrangements

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

August 31, 2017

INTRODUCTION AND SUMMARY

Hydro One Networks Inc. (Hydro One) and Energy+ Inc. (Energy+) 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 Energy+ (collectively, the Applicants) filed a joint application on June 20, 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 78 specific load transfer customers of various rate classes to Energy+. Of these customers, 63 are "Residential", 9 are "General Service", 4 are "Sentinel Light" and the remaining 2 customers belong to "MicroFIT" rate class. Hydro One also requests the OEB's approval to sell the distribution assets servicing these customers to Energy+ for \$111,265 plus applicable taxes.

Energy+ seeks to transfer 60 specific load transfer customers of various rate classes to Hydro One. Of these customers, 42 are “Residential”, 14 are “General Service” and the remaining 4 customers belong to the “MicroFIT” rate class. Energy+ also requests the OEB’s approval to sell the distribution assets servicing these customers to Hydro One for \$45,206.03 plus applicable taxes. The application notes that no assets will be stranded or become redundant and no third parties will be impacted, if the application is approved.

The Applicants also state that during the course of the load transfer elimination exercise in June 2017, two new load transfer customers were identified. Both distributors jointly agreed that it was more economically and technically efficient for the physical distributor in each case to connect and serve the new customers. Therefore in lieu of creating new load transfer arrangements, which is prohibited by section 6.5.6 of the DSC, the customer located at 4457 Bethel Church Road, Hamilton within Hydro One’s licensed service area was connected to Energy+ assets and the customer located at 1102 Shouldice Side Road in the Township of North Dumfries within the licensed service area of Energy+ was connected to Hydro One’s distribution system. As part of this application, the Applicants request that the electricity distribution licences of both Hydro One and Energy+ be amended to reflect the transfer of these two customers as well.

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 Energy+. The transfer of the two customers referred to above is also approved. Both licences will be amended to reflect the proposed transfer of the affected customers.

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

As prescribed in section 6.5.4 of the DSC, the affected Residential and General Service customers moving from Energy+ 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 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. The disposition of the deferral account will be subject to an OEB determination of prudence, which will occur in the rate setting process.

Hydro One and Energy+ 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 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 Energy+ Inc.'s Electricity Distribution Licence (ED-2002-0574) is amended. The amended licence is attached to this Decision and Order.
3. Hydro One Networks Inc. is granted leave to sell assets listed in Schedule A (Table 1) to Energy+ Inc.
4. Energy+ Inc. is granted leave to sell assets listed in Schedule A (Table 2) to Hydro One Networks Inc.

DATED at Toronto August 31, 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 Energy+ are listed below:

Table 1 - List of assets being sold by Hydro One to Energy+

Asset Type	Count
Poles	58
Transformers	55
Primary Wire and Neutral (m)	3,522
Secondary Buss (m)	-
Secondary O/H Wire (m)	2,750
Secondary U/G Wire (m)	1,386
Current Transformers	-
Sentinel Lights	2
Easements	-
Total (\$) before applicable taxes	\$111,265

Table 2 - List of assets being sold by Energy+ to Hydro One

Asset Type	Count
Poles	14
Transformers	42
Primary Wire and Neutral (m)	752
Secondary Buss	-
Secondary O/H Wire (m)	1,059
Secondary U/G Wire (m)	965
Current Transformers	19
Sentinel Lights	-
Easements	-
Total (\$) before applicable taxes	\$45,206.03