



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

DECISION AND ORDER

EB-2019-0013

HYDRO ONE NETWORKS INC.

LAKELAND POWER DISTRIBUTION LTD.

Joint Application for Elimination of Load Transfer Arrangements

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

April 18, 2019

INTRODUCTION AND SUMMARY

Hydro One Networks Inc. (Hydro One) and Lakeland Power Distribution Ltd. (Lakeland Power) have jointly applied to the Ontario Energy Board (OEB) to amend their respective licensed service areas such that three 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 (geographic distributor) is physically served by another distributor (physical distributor).

This Decision and Order is being issued by the Delegated Authority, without holding a hearing, pursuant to Section 6(4) of the *Ontario Energy Board Act, 1998* (OEB Act). The application is granted, as set out in this Decision and Order.

THE APPLICATION

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, Hydro One and Lakeland Power (collectively, Applicants) filed a joint application with the OEB on April 26, 2017, under sections 74 and 86(1)(b) of the OEB Act. The purpose of the application was to eliminate load transfer arrangements between the two distributors. The OEB assigned file number EB-2017-0177 to that application and, on June 29, 2017, the OEB issued its Decision and Order approving the proposed service area amendments and sale of assets.

On January 16, 2019, the Applicants filed a second joint application with the OEB and requested further amendments to each of their respective licensed service areas, due to the recent identification of three customers "one residential and two seasonal" that were not included in the EB-2017-0177 application. Hydro One also requested the OEB's approval to sell certain distribution assets to Lakeland Power for \$5,893.00 plus applicable taxes. These assets are used to serve the customers being transferred from Hydro One to Lakeland Power.

FINIDING

The OEB finds it to be in the public interest to approve the service area amendments and sale of assets proposed by the Applicants in order to eliminate the three load transfer arrangements. The distribution licence of Hydro One and Lakeland Power will be amended to reflect the transfer of the three customers.

The two seasonal customers being transferred from Hydro One to Lakeland Power will see a reduction in their monthly delivery charges and, therefore, no credits are required for these two customers.

The residential customer being transferred from Hydro One to Lakeland Power will see an increase in their monthly delivery charges. This particular customer shall receive a monthly bill credit to offset the increase in delivery charges. The credit will be calculated using the customer's average monthly consumption over the most recent 12 months from the application filing date with the OEB. The credit will be fixed at this calculated level and remain in place as long as the customer remains the account holder.

Hydro One and Lakeland Power 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 Lakeland Power to allow for the continuous billing of the customers and the continuous application of Ontario Electricity Support Program (OESP) rate assistance to the bills, if applicable.

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 Lakeland Power Distribution Ltd.'s Electricity Distribution Licence ED-2002-0540 is amended. The amended licence is attached to this Decision and Order.
3. Hydro One Networks Inc. is granted leave to sell distribution system assets as listed in Schedule A (Table 1) to Lakeland Power Distribution Ltd.

DATED at Toronto April 18, 2019

ONTARIO ENERGY BOARD

Original signed by

Brian Hewson
Vice President, Consumer Protection & Industry Performance

SCHEDULE A

The assets being transferred between Hydro One and Lakeland Power are listed below:

Table 1 - List of assets being sold by Hydro One to Lakeland Power

Asset Type	Price (\$)
Transformer (25 kVA)	5,381.00
Conductor	512.00
Total (\$) before applicable taxes	\$5,893.00