

SEP 24 2008

EB-2008-0311

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September 22, 2008

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto, Ontario
M4P 1E4

24/09/08
ME

Dear Ms Walli:

**Re: Orillia Power Distribution Corporation
Application to Enter into a New Load Transfer Agreement with
another Distributor with Leave of the Ontario Energy Board**

Orillia Power Distribution Corporation ("Orillia Power") is requesting leave of the Ontario Energy Board ("the Board") under section 6.5.5 of the Distribution System Code ("the DSC") to enter into a new load transfer agreement with Hydro One Networks Inc ("Hydro One") for a period beyond January 31, 2009, the date set under section 6.5.4 of the DSC for resolution of long term load transfer arrangements.

Background:

Orillia Power has made significant progress in connecting load transfer customers with the construction of new 44kv and 13.8kv pole line extensions. Four load transfer customers remain. Hydro One is the physical distributor. Orillia Power anticipates that the remaining load customers can be connected to our plant by 2011 by way of agreement to access existing Hydro One poles, upon completion of the upgrade of Hydro One poles.

Orillia Power does not believe initiating a Service Area Amendment Application (SAAA) would be in the best interests of its customers, not least of which would

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be adverse rate impacts for these customers. Based on consumption of 1,000 kWh per month, our customers would experience an increase of \$19.84 on the delivery portion of the monthly electricity bill. This represents an impact of 55.9% on the delivery portion of the bill. An overall increase of \$26.81 on the total bill represents an impact of 25.7%.

Planning:

Orillia Power has been negotiating with Hydro One for permission to place plant on their poles which involves planning the height for pole upgrades to accommodate our plant. The first phase of Hydro One's pole upgrades begins this year with a second phase expected to begin in 2009. With the new infrastructure in place, the four customers can be connected to Orillia Power plant and the load transfer arrangements will end. Connection of these customers within a 3 year horizon is achievable.

Conclusion:

Orillia Power and Hydro One are prepared to continue our load transfer arrangements for the four remaining load transfer customers (Schedule "A") until such time as Orillia Power completes the infrastructure to connect these customers. Orillia Power believes it is in the best interest of its customers, with respect to price, reliability and quality of electricity service, to maintain them as part of Orillia Power's service territory.

Orillia Power respectfully requests that Orillia Power be given leave to complete negotiations with Hydro One to enter into a new load transfer agreement for the four remaining load transfer customers under section 6.5.5 of the DSC as presented in Schedule "A".

Yours truly,



John F. Mattinson P. Eng.
President & Secretary
Orillia Power Distribution Corporation