



**EB-2008-0311**

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*,  
S.O. 1998, c. 15, Schedule B;

**AND IN THE MATTER OF** an application pursuant to  
section 74 of the *Ontario Energy Board Act, 1998* by Orillia  
Power Distribution Corporation seeking an order to amend  
its current Electricity Distribution Licence (ED-2002-0530).

**By delegation, before:** Jennifer Lea

## **DECISION AND ORDER**

### **THE APPLICATION**

Orillia Power Distribution Corporation ("Orillia Power") filed an application dated September 22, 2008 with the Ontario Energy Board under section 74 of the *Ontario Energy Board Act, 1998*. The application seeks an order of the Board granting Orillia Power a licence amendment to reflect an exemption until January 31, 2011 from section 6.5.4 of the Board's Distribution System Code (the "DSC") in relation to four residential class customers who are located within Orillia Power's service area but are physically served electricity by Hydro One Networks Inc. ("Hydro One") through a long term load transfer ("LTLT") arrangement between the two distributors.

A long term load transfer is a situation in which a customer is within one distributor's service area but is actually served electricity from a second distributor. In this case, Hydro One is the physical distributor (i.e., provides the physical delivery of electricity to the four customers) while Orillia Power is the geographic distributor (i.e., licensed to serve the four customers).

Section 6.5.4 of the DSC requires distributors to eliminate long term load transfers before January 31, 2009. The interim exemption from section 6.5.4 of the DSC is being sought by Orillia Power in order to maintain its LTLT arrangements with Hydro One in relation to the four LTLT customers beyond the January 31, 2009 deadline.

The four customers are located within the City of Orillia with the following civic addresses: 2875 Bass Lake Side Road E, 725 Line 15 N, 875 Line 15 N and 885 Line 15 N.

According to the application, Orillia Power plans to connect these four customers to its distribution system by January 31, 2011 through a joint use of Hydro One poles and is currently in the process of negotiating an agreement with Hydro One in that regard.

## **THE PROCEEDING**

The Board assigned file number EB-2008-0311 to the application. By letter dated September 29, 2008, the Board requested additional information from Orillia Power. On October 15, 2008, Orillia Power filed the requested information with the Board. The Board issued its Notice of Application and Written Hearing on October 29, 2008. As directed by the Board, the applicant served the notice upon Hydro One and the customers that are the subject of the application. No one responded to the Notice.

## **FINDINGS**

Section 6.5.4 of the DSC requires geographic distributors to eliminate their LTLT arrangements before January 31, 2009 by either negotiating the transfer of the customers to the physical distributor or by the geographic distributor extending its system to connect the customers. Orillia Power plans to connect these four customers to its distribution system by January 31, 2011 through a joint use of Hydro One poles.

Based on the evidence, I find that it is in the public interest to amend Schedule 3 of Orillia Power's distribution licence to grant an exemption from the requirements of section 6.5.4 of the DSC for the four customers and for the time period requested in the application. The following facts were important in reaching this decision.

The applicant submits that it has made significant progress in connecting its load transfer customers and only four LTLT arrangements with Hydro One remain to be eliminated. The applicant further states that it plans to connect the four customers to its distribution system by way of accessing Hydro One poles once upgraded by Hydro One to accommodate such connection. The first phase of Hydro One's pole upgrades begins in 2008 with the second phase expected to begin in 2009. Orillia Power's connection plan is contingent on Hydro One's completion of both phase one and two of the pole upgrades. Hydro One agrees to extend the existing load transfer arrangements for the four customers until January 31, 2011.

The applicant states its belief that it is in the best interest of its customers, with respect to price, reliability and quality of electricity service to remain as Orillia Power's customers.

Under the current arrangement, the subject customers are being charged Orillia Power's current distribution rates. If the exemption request is granted, the customers will continue to pay Orillia Power's approved distribution rates.

**IT IS THEREFORE ORDERED THAT:**

1. Orillia Power Distribution Corporation's Electricity Distribution Licence (ED-2002-0530), specifically Schedule 3 of the licence, is amended to reflect the exemption from the requirements of section 6.5.4 of the Distribution System Code as per Orillia Power Distribution Corporation's request set out in the application.

**DATED** at Toronto, January 7, 2009

ONTARIO ENERGY BOARD

*Original signed by*

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Jennifer Lea  
Counsel, Special Projects