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Compliance Office

December 9, 2005

Compliance Bulletin 200514

To: All Licensed Electricity Distributors

Re: Maintaining the Integrity of Licensed Service Areas

This Bulletin is intended to remind licensed electricity distributors of the importance of respecting the boundaries of the service area described in their respective electricity licences.

In accordance with section 70(11) of the *Ontario Energy Board Act, 1998*, each licence issued to an electricity distributor specifies, in Schedule 1, the area in which the distributor is authorized to distribute electricity. A distributor's licensed service area is the sole area within which the distributor is authorized by the Board to own and operate a distribution system.

It is the responsibility of each distributor to remain aware of the boundaries of its licensed service area and to ensure that it does not conduct any distribution activities outside of that area. The only exceptions are in relation to existing load transfer customers as contemplated by section 6.5 of the *Distribution System Code* and distribution facilities as contemplated by section 6.3.4 of the *Code*. Otherwise, a distributor that wishes to extend service beyond its existing licensed service area must first obtain from the Board an amendment to its licence expanding its licensed service area accordingly.

I consider the conduct of distribution activities outside of a distributor's licensed service

area to be a serious violation of a distributor's legal and regulatory obligations. In the event of such a violation, I will consider recommending that formal enforcement action be taken against the non-compliant distributor.

Please direct any questions you may have on this matter to the Market Participant hotline at 416-440-7604 or by e-mail at market.operations@oeb.gov.on.ca.



Brian Hewson
Chief Compliance Officer
Compliance Office

No statutory power of decision has been delegated to the Chief Compliance Officer, and the views expressed in this Compliance Bulletin are not binding on the Board. The Chief Compliance Officer may seek enforcement action by the Board under Part VII.1 of the *Ontario Energy Board Act, 1998*, in relation to non-compliance.