



EB-2008-0375

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 Erie
Thames Powerlines Corporation seeking an order to amend
its current Electricity Distribution Licence (ED-2002-0516).

By delegation, before: Jennifer Lea

DECISION AND ORDER

THE APPLICATION

Erie Thames Powerlines Corporation ("Erie Thames") filed an application dated November 21, 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 Erie Thames a licence amendment to reflect an exemption until April 1, 2009 from section 6.5.4 of the Board's Distribution System Code (the "DSC") in relation to two residential class customers who are located within Erie Thames' 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 two customers) while Erie Thames is the geographic distributor (i.e., licensed to serve the two 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 Erie Thames in order to maintain its LTLT arrangements with Hydro One in relation to the two LTLT customers beyond the January 31, 2009 deadline.

The two customers are located within the Town of Alymer with the following municipal addresses: 751 John Street North and 783 John Street North.

According to the application, Erie Thames plans to connect these two customers to its distribution system by April 1, 2009 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-2008-0375 to the application. By letter dated November 27, 2008, the Board requested additional information from Erie Thames. On December 5, 2008, Erie Thames filed the requested information with the Board. The Board issued its Notice of Application and Written Hearing on December 15, 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. Erie Thames plans to connect these two customers to its distribution system by April 1, 2009 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 Erie Thames' distribution licence to grant an exemption from the requirements of section 6.5.4 of the DSC for the two 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 to connect these two LTLT arrangements with Hydro One. Erie Thames is prepared to proceed with the system expansion immediately after Hydro One conducts make ready work. The expected

completion date for the project is late February, 2009. Hydro One agrees to extend the existing load transfer arrangements for the two customers until April 1, 2009.

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

IT IS THEREFORE ORDERED THAT:

1. Erie Thames Powerlines Corporation's Electricity Distribution Licence (ED-2002-0516), 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 Erie Thames Powerlines Corporation's request set out in the application.

DATED at Toronto, January 8, 2009

ONTARIO ENERGY BOARD

Original signed by

Jennifer Lea
Counsel, Special Projects