

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

AND IN THE MATTER OF applications by Centre Wellington Hydro, Veridian Connections Inc., EnWin Powerlines Ltd., Erie Thames Powerlines Corp., Chatham-Kent Hydro Inc., Essex Powerlines Corp., Cooperative Hydro Embrun Inc. and Hydro One Networks Inc. pursuant to subsection 74(1) of the *Ontario Energy Board Act, 1998* to amend Schedule 1 of their Transitional Distribution Licences.

GREAT LAKES POWER LIMITED

RESPONSE TO PROCEDURAL ORDER NO. 2

1. Great Lakes Power Limited, Transmission & Distribution Division ("GLPL") submits that the Ontario Energy Board (the "Board") should consider the issues contained in the Draft Issues List appended to Procedural Order No. 1.
2. GLPL further submits that there are three (3) overriding principles (the "Overriding Principles") that, in the public's interest, the Board should adopt and apply when considering applications for distribution service area amendments.
3. The term "Applicant" is used herein to describe a distributor that applies to the Board to expand its authorized service area. Similarly, the term "Respondent" is used herein to describe a distributor whose authorized service area could be reduced as a result of an Applicant's service area expansion application. The Overriding Principles are as follows:
 - (a) An Applicant must keep a Respondent whole with regard to the Respondent's costs (not including opportunity costs), regardless of customer preference or whether a customer is new or existing.
 - (b) Service area expansions should not be permitted if the Respondent's or Applicant's distribution customers will be adversely impacted as a result of the expansion. "Adverse impact" should be determined by the Board on a case-by-case basis with public interest considerations in mind.
 - (c) Overlapping of service areas should not be permitted. Where an Applicant's service area is expanded to include a property in a Respondent's service area, that property should be specifically excluded from the Respondent's service area.

Dated at Toronto this 24th day of April, 2003.