



EB-2007-0792

NOTICE OF APPLICATION

Applications by Hydro One Networks Inc. and Newmarket Tay Power Distribution Ltd. for Licence Amendments, Sale of Distribution Assets; and Requests for Interim Exemptions from Section 6.5.4 of the Distribution System Code

Hydro One Networks Inc. ("Hydro One") and Newmarket Tay Power Distribution Ltd. ("NT Power") (together the "Applicants") have filed a joint application with the Ontario Energy Board under the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B, for an order of the Board:

- amending the Applicants' distribution service areas to reflect the transfer of 44 customers from Hydro One to NT Power;
- approving the sale of distribution assets necessary in serving the public from Hydro One to NT Power; and
- granting the Applicants interim exemptions from section 6.5.4 of the Distribution System Code.

The Board has assigned file number EB-2007-0792 to the application. The application will be decided by the Special Advisor, Market Operations who has been delegated this authority pursuant to section 6 of the Act.

Section 6.5.4 of the Distribution System Code

Section 6.5.4 of the Distribution System Code (the "DSC") requires distributors to eliminate long term load transfers ("LTLT") before January 31, 2009. A LTLT is a situation in which a customer is within one distributor's service area but is actually served electricity from a second distributor. The Applicants have stated that the service area amendments and the sale of the distribution assets that are the subject of this application are being sought in order to partially eliminate the LTLT between Hydro One and NT Power. The interim exemption from section 6.5.4 of the DSC is being sought in order to maintain a LTLT for 10 customers past the January 31, 2009 deadline.

Service Area Amendments

The proposed service area amendment will expand NT Power's service area to include the customers located on:

- the west side of Bathurst Street, just south of Davis Drive to the south side of Miller Sideroad;
- the west side of Leslie Street, south of Green Lane; and
- Pine Street and Sandhill Road south of Waubauskene.

The customers located at the above noted locations are currently within Hydro One's service area. The proposed amendments, if granted, will result in these customers becoming customers of NT Power.

Sale of Distribution Assets

Hydro One is seeking approval to sell part of its distribution system that is useful in serving the public to NT Power. NT Power will purchase these assets from Hydro One for net book value. The assets will continue to be used to serve the customers that are currently being served using the assets.

Interim Exemption from Section 6.5.4 of the DSC

As stated above, the DSC set January 31, 2009, as the date by which load transfer arrangements between electricity distributors must be eliminated.

Hydro One seeks an exemption for a period of up to five years to maintain its LTLT arrangements with NT Power with respect to two Hydro One customers currently supplied by NT Power. The two customers are located on the north side of Green Lane in the Town of East Gwillimbury.

NT Power seeks an exemption for a period of up to five years to maintain its LTLT arrangements with Hydro One with respect to eight NT Power customers currently

supplied by Hydro One. The customers are located on the north side of Highway 12 (between Trestle Road and Vents Beach Road).

The application also states that both distributors are planning to expand their distribution systems to connect their respective LTLT customers and serve them directly by 2009.

How to See the Application

A copy of the application and related documents are available for inspection at the Board's offices in Toronto and on its website, www.oeb.gov.on.ca. A copy can also be viewed at Hydro One and NT Power offices at the addresses indicated below.

How to Participate in the Proceeding

The application will be decided by way of written hearing unless a party satisfies the Board that there is good reason for holding an oral hearing. If you object to a written hearing in this matter, you must provide written reasons why an oral hearing is necessary. Any objections to a written hearing must be received by the Board and copied to the applicant within 10 days of the date this notice was served. The Special Advisor, Market Operations does not intend to provide for an award of costs when deciding this application.

If you wish to participate in the written hearing, please file a written submission setting out your views on the application with the Board and deliver it to the applicant no later than 21 days after the date this notice was served. If the applicant wishes to respond to the submission(s), the written response must be filed with the Board and delivered to all parties who made submissions no later than 28 days after the date this notice was served.

How to File Documents with the Board

If you already have a user ID, please submit your submission through the Board's web portal at www.errr.oeb.gov.on.ca. Additionally, two paper copies are required. For instructions on how to file and naming conventions, please refer to the RESS Document Guidelines found at www.oeb.gov.on.ca, e-Filing Services. Those who do not have internet access are asked to submit their submission on a CD or diskette in PDF format, along with two paper copies. You may also send your submission by post or e-mail to the addresses below.

In responding to this Notice, please include Board file number EB-2007-0792 in the subject line of your e-mail or at the top of your document. It is also important that you provide your name, postal address and telephone number and, if available, an e-mail address and fax number. All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

Need More Information?

Further information on how to participate may be obtained by visiting the Board's Web site at www.oeb.gov.on.ca or by calling our Consumer Relations Centre at 1-877-632-2727.

IMPORTANT

IF YOU DO NOT FILE A WRITTEN SUBMISSION OBJECTING TO A WRITTEN HEARING OR IF YOU DO NOT NOTIFY THE BOARD OF YOUR INTENTION TO PARTICIPATE IN THIS PROCEEDING IN ACCORDANCE WITH THIS NOTICE, THE BOARD MAY PROCEED WITHOUT YOUR PARTICIPATION AND YOU WILL NOT BE ENTITLED TO FURTHER NOTICE IN THE PROCEEDING.

Addresses

(for viewing copies of the application)

The Board

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON
M4P 1E4
Attention: Board Secretary

Tel: 1-877-632-2727 ((toll free)
Fax: 416-440-7656
E-mail: Boardsec@oeb.gov.on.ca

The Applicants

Hydro One Networks Inc.
8th Floor, South tower
483 Bay Street
Toronto, ON M5G 2P5
Attention: Mr. Allan Cowan

Tel: 416-345-6219
Fax: 416-345-5866
E-Mail: allan.cowan@hydroone.com

Newmarket – Tay Power Distribution Ltd.
590 Steven Court
Newmarket, ON L3Y 6Z2
Attention: Mr. Paul Ferguson

Tel: 905-953-8548 ext. 2240
Fax: 905-895-8931
E-mail: pdf@nmhydro.on.ca

DATED at Toronto November 20, 2007.

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary