



**EB-2012-0305**

## **NOTICE OF APPLICATION AND WRITTEN HEARING**

### **Application by Hydro One Networks Inc. and Kitchener-Wilmot Hydro Inc. for Licence Amendments and Sale of Distribution Assets**

#### **The Application**

Hydro One Networks Inc. ("Hydro One") and Kitchener-Wilmot Hydro Inc. ("Kitchener-Wilmot") have filed a joint application with the Ontario Energy Board under section 74 and 86(1)(b) of the Ontario Energy Board Act, 1998, S.O. 1998, c. 15, Schedule B, for an order of the Board:

- (a) amending the distribution service areas of Hydro One and Kitchener-Wilmot to reflect the transfer of 19 customers from Hydro One to Kitchener-Wilmot; and
- (b) approving the sale from Hydro One to Kitchener-Wilmot of distribution assets necessary in serving the customers proposed to be transferred from Hydro One to Kitchener-Wilmot.

The Board has assigned file number EB-2012-0305 to the application. The application will be decided by an employee of the Board who has been delegated this authority pursuant to section 6 of the Act. The employee of the Board does not intend to provide for an award of costs when deciding this application.

#### **Section 6.5.4 of the Distribution System Code**

Section 6.5.4 of the Distribution System Code ("DSC") deals with long term load transfer ("LTLT") arrangements. A load transfer is a situation in which a customer is located in the licensed service area of one distributor (the "geographic distributor") but is physically served electricity by another distributor (the "physical distributor"). Section 6.5.4 of the DSC requires geographic distributors to eliminate their LTLT arrangements before June

30, 2014. This can be accomplished by either negotiating the transfer of the customers to the physical distributor or by the geographic distributor extending its system to connect the customers.

### **Service Area Amendments**

According to the application, the service area amendment is being sought in order to eliminate the LTLT arrangement between Hydro One and Kitchener-Wilmot through the transfer of 19 customers to the physical distributor. The applicant states that the service area amendment is the most cost efficient approach to eliminate this existing LTLT arrangement.

The customers proposed to be transferred to Kitchener-Wilmot are currently located within Hydro One's service area but physically supplied by Kitchener-Wilmot. Presently, the customers are considered Hydro One customers and charged Hydro One's rates. The proposed amendment, if granted, will result in the 19 customers becoming customers of Kitchener-Wilmot and being subject to Kitchener-Wilmot's distribution rates which are lower than Hydro One's distribution rates according to the application. The customers are located on the boundary between the Township of Wilmot and the Township of Blandford-Blenheim.

### **Sale of Distribution Assets**

Hydro One is seeking approval to sell certain assets that are part of its distribution system to Kitchener-Wilmot. The assets will continue to be used to serve the same customers presently served by the assets. According to the application, the proposed sale of the distribution assets facilitates the elimination of the LTLT arrangement between Hydro One and Kitchener-Wilmot. A net book value of \$24,148.59 including HST has been assigned to the assets according to the application. The application states Kitchener-Wilmot has agreed to purchase these assets for their net book value.

### **How to see Hydro One and Kitchener-Wilmot's Pre-filed Evidence**

Copies of the application are available for inspection at the Board's office in Toronto and on its website, [www.ontarioenergyboard.ca/OEB/Industry](http://www.ontarioenergyboard.ca/OEB/Industry) , and at the offices of Hydro One and Kitchener-Wilmot and on their websites.

### **Written Hearing**

The Board intends to proceed with this matter by way of a written hearing unless a party satisfies the Board that there is a good reason for not holding a written hearing. If you object to the Board holding a written hearing in this matter, you must provide written reasons why an oral hearing is necessary. Any submissions objecting to a written hearing must be received by the Board and copied to the applicant within **10 days** of the publication or service date of this notice.

### **How to Participate in the Hearing**

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 **14 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 any party that made submissions no later than **21 days** after the date this notice was served.

All submissions must quote the relevant file number, and clearly state the sender's name, postal address, telephone number and email address. 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.

All written submissions sent to the Board will be placed on the public record, which means that the written submissions will be available for viewing at the Board's offices and will be placed on the Board's website.

If the written submission is from a private citizen (i.e., not a lawyer representing a client, not a consultant representing a client or organization, not an individual in an organization that represents the interests of consumers or other groups, and not an individual from a regulated entity), before placing the written submission on the public record, the Board will remove any personal (i.e., not business) contact information from the written submission (i.e., the address, telephone number, and email address of the individual). However, the name of the individual and the content of the written submission will become part of the public record.

As stated elsewhere in this notice, you must provide a complete copy of your written submission (including your name, contact information, and everything written in the submission) to the applicant.

Information relating to the application is available for viewing at the Board's offices at the address provided below or by contacting the applicant. The address and contact information for the applicant are also provided below.

### **How to Contact Us**

In responding to this Notice, please reference Board file number EB-2012-0305 in the subject line of your e-mail or at the top of your letter. 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 [www.ontarioenergyboard.ca/OEB/Industry](http://www.ontarioenergyboard.ca/OEB/Industry) 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 DO NOT PARTICIPATE IN THE HEARING BY FILING WRITTEN SUBMISSIONS IN ACCORDANCE WITH THIS NOTICE, THE BOARD MAY PROCEED WITHOUT YOUR PARTICIPATION AND YOU WILL NOT BE ENTITLED TO FURTHER NOTICE IN THIS PROCEEDING.**

### **Addresses**

#### **The Board:**

Ontario Energy Board  
P.O. Box 2319  
27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto ON M4P 1E4

#### **The Applicants:**

Hydro One Networks Inc.  
483 Bay Street  
8th Floor - South Tower  
Toronto ON M5G 2P5  
Attention: Andrew Skalski

Attention: Board Secretary

Filings:

<https://www.errr.ontarioenergyboard.ca/>

E-mail: [boardsec@ontarioenergyboard.ca](mailto:boardsec@ontarioenergyboard.ca)

Tel: 1-888-632-6273 (Toll free)

Fax: 416-440-7656

Email: [regulatory@HydroOne.com](mailto:regulatory@HydroOne.com)

Tel: 416-345-5707

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Kitchener-Wilmot Hydro Inc.

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**DATED** at Toronto, August 7, 2012

**ONTARIO ENERGY BOARD**

*Original signed by*

Kirsten Walli

Board Secretary