



Ontario Energy Board Commission de l'énergie de l'Ontario

DECISION AND ORDER

EB-2017-0378

VERIDIAN CONNECTIONS INC.

HYDRO ONE NETWORKS INC.

Joint Application for Elimination of Load Transfer Arrangements

BY DELEGATION, BEFORE: Brian Hewson
Vice President
Consumer Protection and Industry Performance

February 22, 2018

INTRODUCTION AND SUMMARY

Veridian Connections Inc. (Veridian) and Hydro One Networks Inc. (Hydro One) have jointly applied to the Ontario Energy Board (OEB) for approval to amend the service areas of both distributors such that load transfer arrangements between the two distributors are eliminated. A load transfer arrangement is a situation in which a customer located in the licensed service area of one distributor (the geographic distributor) is physically served by another distributor (the physical distributor).

The application is granted, as set out in this Decision and Order.

THE PROCESS

This Decision and Order is being issued without a hearing by the Delegated Authority, pursuant to Section 6(4) of the *Ontario Energy Board Act, 1998* (the Act).

THE APPLICATION

Pursuant to the Distribution System Code (DSC) amendments made by the OEB in EB-2015-0006 and in accordance with the OEB's filing guidelines for combined service area amendments and sale of assets, Veridian and Hydro One (collectively, the Applicants) filed a joint application with the OEB on May 17, 2017 under sections 74 and 86(1)(b) of the Act. The purpose of the application was to eliminate 59 load transfer arrangements between the two distributors. The OEB assigned file number EB-2017-0211 to that application and, on August 31, 2017, the OEB issued its Decision and Order approving the proposed service area amendments and sale of assets.

On December 19, 2017, the Applicants filed this application due to identification of additional four customers that were not included in the EB-2017-0211 application. The Applicants seek to transfer one "Residential" and three "Residential Seasonal" customers from Veridian to Hydro One. Veridian also requests the OEB's approval to sell the distribution assets servicing these customers to Hydro One for \$5,080 plus applicable taxes. As stated in the application, no assets will be stranded or become redundant and no third parties will be impacted, if the application is approved.

FINDINGS

The OEB finds it to be in the public interest to approve the service area amendment and sale of assets as proposed by the Applicants in order to eliminate remaining four load transfer arrangements between Veridian and Hydro One. Veridian's licence will be amended to reflect the proposed transfer of the affected customers. Hydro One's licence does not need to be amended given the manner in which Schedule 1 of Hydro One's licence is presented.

As prescribed in section 6.5.4 of the DSC, the affected Residential Seasonal and Residential customers moving from Veridian to Hydro One shall receive a monthly bill credit to offset the increase in delivery charges. The credit shall be calculated using each customer's average monthly consumption over the most recent 12 months from the application filing date with the OEB. The credit will be fixed at this calculated level and remain in place as long as the customer remains the account holder.

Hydro One requested a deferral account to record lost revenue resulting from the rate impact mitigation plan as well as any costs involved in the set-up of such a plan. The OEB will allow Hydro One to track these costs in a deferral account. Hydro One shall record these costs in account 1508, Other Regulatory Assets, Sub-account LTLT Rate Impact Mitigation. The disposition of the deferral account will be subject to an OEB determination of prudence, which will occur in the rate setting process.

Veridian and Hydro One are reminded that both geographic and physical distributors shall ensure that all relevant customer information including, but not limited to, information regarding security deposits and consumption is properly transferred to the physical distributor to allow for the continuous billing of customers and the continuous application of Ontario Electricity Support Program rate assistance to the bills of eligible customers.

IT IS ORDERED THAT:

1. Schedule 1 of Veridian Connections Inc.'s Electricity Distribution Licence (ED-2002-0503) is amended. The amended licence is attached to this Decision and Order.

2. Veridian Connections Inc. is granted leave to sell distribution assets listed in Appendix A to Hydro One Networks Inc.

DATED at Toronto February 22, 2018

ONTARIO ENERGY BOARD

Original signed by

Brian Hewson
Vice President, Consumer Protection and Industry Performance

APPENDIX A**LIST OF ASSETS BEING SOLD BY VERIDIAN TO HYDRO ONE**

Asset Type	Count
Transformer	1
Primary Wire (m)	-
Secondary Buss (span)	-
Secondary O/H Wire (m)	30
Secondary U/G Wire (m)	35
Current Transformers	-
Sentinel Lights	-
Easements	-
Total (\$) before applicable taxes	\$5,080