

Amanda Klein

Director, Regulatory Affairs

Toronto Hydro-Electric System Limited
14 Carlton Street

Toronto, Ontario M5B 1K5

Telephone: 416.542.2729

Facsimile: 416.542.3024

regulatoryaffairs@torontohydro.com

www.torontohydro.com



June 17, 2013

via RESS e-filing – signed original to follow by courier

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
PO Box 2319
2300 Yonge Street, 27th floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Toronto Hydro-Electric System Limited (“THESL”)
EB-2011-0043: Regional Planning for Electricity Infrastructure**

THESL writes in respect of the above-noted matter.

On May 17, 2013, the Board issued notice of proposal to amend the Transmission System Code (the “TSC”) and the Distribution System Code (the “DSC”) to implement the Board’s new policies on regional infrastructure planning, and invited submissions from interested parties. The submissions of Toronto Hydro-Electric System Limited (“THESL”) are set out below. THESL’s submission is in three main areas:

- Role of regional planning deliverables in utility applications to the Board;
- Assessment Criteria for Distributors’ Future Transmission Needs;
- Timelines for provision of information to the Ontario Power Authority.

By way of a general comment and notwithstanding the issues discussed below, THESL recognizes the need for a structured and consistent regional planning process in Ontario and thanks the Board, Board staff and the members of the working groups for their work in developing the Regional Planning framework.

Role of Regional Planning Deliverables in Utility Applications to the Board

THESL is encouraged to see that, in its May 17, 2013 Notice of Proposal to Amend a Code, the Board notes the potential for the proposed regional planning framework to facilitate efficiency and cost effectiveness in the Board’s subsequent reviews of utility rate and / or Leave to Construct (“LTC”) applications:

“...the Board believes that a more efficient hearing process will ensue, with associated cost savings that can offset some of [the] additional administrative costs.”¹

The degree to which the Regional Infrastructure Plans (“RIP”) and / or Integrated Regional Resource Plans (“IRRP”) can facilitate more efficient approvals proceedings will depend on the manner the Board utilizes the findings of these documents.

In THESL’s view, regional planning documents can indeed lead to faster and more cost efficient regulatory proceedings to the extent that the findings of an RIP / IRRP can satisfy the Board that issues of need or alternative investments have been sufficiently addressed and require no further consideration. On the other hand, if the Board permits the findings of regional planning materials filed in support of an application to be subjected to further scrutiny, the resulting effect is likely to be longer and more expensive hearings, leading to further ratepayer costs.

To this end, THESL submits that the Board should consider formalizing the manner in which it intends to treat the findings of RIPs and IRRPs for the purposes of examining the need, alternatives, or other aspects of investments proposed by utilities. THESL believes that the Board is in the best position to determine the instrument through which it would provide and any such guidance, as well as the prescriptiveness of its directions. As such, THESL is not proposing any specific language or regulatory instrument(s) to reflect the spirit of the above considerations.

Assessment Criteria for Distributors’ Future Transmission Needs

Given the scope of planning work contemplated by the proposed amendments, THESL appreciates the Board’s inclusion of the transition provisions into the proposed TSC and DSC amendments. In the same vein, THESL requests that the Board provide some additional guidance in both codes with respect to the requirements contained in proposed sections 3C.4.1 of the TSC and 8.5.1 of the DSC.

The sections in question require distributors to provide the applicable lead transmitter with a letter identifying whether distributors foresee a need for material investment in transmission infrastructure to support their respective distribution systems over the next five years. THESL believes that both transmitters requesting this information and distributors preparing the requisite letters would benefit from the Board including into both codes a representative list of criteria guiding the distributors’ assessments of their future transmission needs.

While the list of criteria need not be exhaustive, THESL believes that an outline of minimum criteria that distributors should take into consideration would serve as a useful baseline. THESL’s proposal is consistent with the objectives of establishing a more structured and consistent regional planning process, which underlie the Board’s Regional Planning Initiative. THESL submits that the Planning Process Working Group is in the best position to develop such a list of minimum assessment criteria and provide it to the Board for consideration prior to the code amendment process being finalized.

Timelines for Provision of Information to the Ontario Power Authority

The proposed new subsection 8.3.1(a) of the DSC requires transmission-connected distributors to provide the transmitter with necessary information for regional planning purposes within 60 days of the transmitter's request. However, the subsequent section 8.3.2 – which mandates the distributors to provide planning-related information to the Ontario Power Authority (“OPA”) – prescribes a 30-day

¹ OEB’s May 17, 2013 Notice of Proposal to Amend a Code, p. 20.

timeline for the turnaround of the OPA's requests. THESL is unsure of the rationale for imposing different turnaround requirements for provision of information to the two entities involved in regional planning.

Given that formalized regional planning is a new construct in Ontario, THESL believes that distributors should be given sufficient time to collect and carefully examine the information that may have bearing on the outcomes of the regional planning process. THESL believes that 60 days would be a more appropriate timeframe for responding to the OPA's requests for information. THESL therefore proposes that the turnaround timeline for provision of information to the OPA in section 8.3.2 of the DSC be changed to 60 days to be consistent with the timeline prescribed in subsection 8.3.1(a).

THESL understands that fair and consistent application of the above principles would also require the Board to reconsider the 15-day timeline for provision of planning-related information to the host distributor by embedded distributors prescribed by section 8.3.3 of the DSC. While THESL questions whether the 15-day timeframe is sufficient to comply with the requirements outlined in section 8.3.3, it is not in a position to advocate for an alternative timeline, having no embedded distributors connected to its distribution system.

All of which is respectfully submitted.

Please do not hesitate to contact me if you have any questions.

Yours truly,

[original signed by]

Amanda Klein
Director, Regulatory Affairs
Toronto Hydro-Electric System Limited
regulatoryaffairs@torontohydro.com

:AK/RB/DB