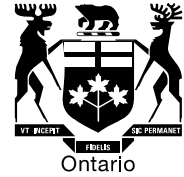


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**BY EMAIL AND WEB POSTING**

## **NOTICE OF PROPOSAL TO AMEND A CODE**

### **PROPOSED AMENDMENTS TO THE DISTRIBUTION SYSTEM CODE BOARD FILE NO.: EB-2009-0095**

**To: All Licensed Electricity Distributors  
All Participants in Consultation Process EB-2007-0005  
All Other Interested Parties**

**RE: Timing for Elimination of Load Transfers**

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The Ontario Energy Board (the "Board") is giving notice under section 70.2 of the *Ontario Energy Board Act, 1998* of proposed amendments to the Distribution System Code (the "DSC").

The Board will not be granting cost awards in this matter.

#### **Background and Purpose of the Proposed Amendments**

Section 6.5.4 of the DSC requires that geographic distributors that serve customers through load transfer arrangements with physical distributors eliminate those load transfer arrangements by January 31, 2009.

Section 6.5.3 of the DSC requires that physical distributors that provide load transfer arrangements to geographic distributors continue to service the existing load transfer customers until January 31, 2009 unless otherwise negotiated between the physical distributor and the geographic distributor.

On February 23, 2009, Bill 150, the *Green Energy and Green Economy Act, 2009*, was introduced in the Legislature. If passed, Bill 150 would enact the *Green Energy Act, 2009* and would make amendments to a number of statutes including the *Electricity Act, 1998* and the *Ontario Energy Board Act, 1998*.

Bill 150 includes provisions that, if passed, would encourage renewable energy projects and promote energy conservation and the development and implementation of a smart grid. Among the provisions that would further these objectives are licence conditions that would require distributors to prepare plans in relation to the accommodation of renewable energy and smart grid development and implementation and to file those plans with the Board for approval.

A distributor's approach to its load transfer arrangements may evolve over time as the distributor engages in planning for smart grid development or for accommodating renewable energy projects. The Board therefore believes that it is desirable to defer the date by which geographic distributors must eliminate load transfer arrangements and the date to which physical distributors will be obligated to continue to serve existing load transfer customers. This will provide a timeframe for the elimination of load transfers in the context of the anticipated future uses of the distribution system. As a consequence of the proposed deferral of the deadline for eliminating load transfer arrangements, the Board is also proposing to amend the DSC provisions relating to the filing of load transfer implementation plans and to add a new reporting requirement for geographic distributors in relation to the elimination of their load transfer arrangements.

It should be noted that nothing in these proposed amendments changes section 6.5.5 of the DSC. Distributors still require leave of the Board to enter into a new load transfer agreement with another distributor.

### **Summary of Proposed Amendments to the DSC**

The proposed amendments to the DSC include changes to sections 6.5.3, 6.5.4, and 6.5.4.1 of the DSC. The changes to these sections would defer to 2014 the date by which existing load transfer arrangements are to be eliminated, and would also require an updated implementation plan for terminating the load transfer arrangements. The Board also proposes to add a new section, section 6.5.4.2, that would require geographic distributors to file additional information regarding the elimination of their load transfer arrangements.

The proposed amendments are set out in Attachment A to this Notice. For convenience, a comparison version of the relevant provisions of the DSC that shows all of the proposed amendments is set out in Attachment B to this Notice.

### **Anticipated Costs and Benefits of the Proposed Amendments**

The Board anticipates that all interested parties will benefit from the proposed amendments, which will help avoid the potential inefficient use of distributor, ratepayer and Board resources pending anticipated future developments in the legal and regulatory requirements applicable to distributors.

The Board notes that while the proposed amendments allow distributors to delay their plans for eliminating load transfer arrangements, they do not require distributors to delay those plans.

Therefore, any costs already expended by distributors in order to comply with the timeline currently set out in the DSC would not be wasted as the distributors can continue on with their current plans to phase out their load transfer arrangements.

The Board recognizes that there may be additional costs to retaining load transfer arrangements over the longer period of time set out in the proposed amendments. The Board encourages distributors to proceed with plans to eliminate their load transfer arrangements in the most economic way.

The Board is of the view that the anticipated benefits of the proposed amendments will outweigh the costs of the proposed amendments.

### **Coming Into Force**

The Board proposes that the amendments to the DSC set out in Attachment A to this Notice come into force on the date that the final amendments are published on the Board's website after having been made by the Board.

### **Invitation to Comment**

All interested parties are invited to make written representations on the proposed amendments to the DSC set out in Attachment A by **April 20, 2009**.

Three (3) paper copies of each filing must be provided, and should be sent to the Board Secretary at the Board's mailing address set out above.

The Board requests that interested parties make every effort to provide electronic copies of their filings in searchable/unrestricted Adobe Acrobat (PDF) format, and to submit their filings through the Board's web portal at [www.errr.oeb.gov.on.ca](http://www.errr.oeb.gov.on.ca). A user

ID is required to submit documents through the Board's web portal. If you do not have a user ID, please visit the "e-filings services" webpage on the Board's website at [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca), and fill out a user ID password request. Additionally, interested parties are requested to follow the document naming conventions and document submission standards outlined in the document entitled "RESS Document Preparation – A Quick Guide" also found on the "e-filing services" webpage. If the Board's web portal is not available, electronic copies of filings may be filed by e-mail at [boardsec@oeb.gov.on.ca](mailto:boardsec@oeb.gov.on.ca).

Those that do not have internet access should provide a CD or diskette containing their filing in PDF format.

Filings to the Board must be received by the Board Secretary by **4:45 p.m.** on the required date. They must quote file number **EB-2009-0095** and include your name, address, telephone number and, where available, your e-mail address and fax number.

This Notice, including the proposed amendments to the DSC, and all written representations received by the Board, will be available for public viewing on the Board's website at [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca) and at the office of the Board during normal business hours.

If you have any questions regarding the proposed amendments described in this Notice, please contact Dawn Hayle at 416-440-7721. The Board's toll free number is 1-888-632-6273.

E-mail inquiries should be directed to [Dawn.Hayle@oeb.gov.on.ca](mailto:Dawn.Hayle@oeb.gov.on.ca)

**DATED** at Toronto, March 27, 2009.

ONTARIO ENERGY BOARD

*Original signed by*

Kirsten Walli  
Board Secretary

Attachments:      Attachment A: Proposed Amendments to the Distribution System Code

Attachment B: Comparison Version Showing Proposed Amendments to the Distribution System Code (for information purposes only)

## Attachment A

### Proposed Amendments to the Distribution System Code

1. Section 6.5.3 of the Distribution System Code is amended by deleting the reference to “January 31, 2009” and replacing it with a reference to “June 30, 2014”.
2. Section 6.5.4 of the Distribution System Code is amended by deleting the reference to “January 31, 2009” and replacing it with a reference to “June 30, 2014”.
3. Section 6.5.4.1 of the Distribution System Code is amended as follows:
  - i. by deleting the reference to “December 31, 2007” and replacing it with a reference to “November 30, 2010”; and
  - ii. by adding the word “updated” immediately before the word “implementation” in each of the first and second sentences.
4. Section 6.5.4 of the Distribution System Code is amended by adding the following immediately after section 6.5.4.1:

6.5.4.2      A geographic distributor shall file an annual status report with the Board by November 30 of each year, starting in 2011 and ending in 2013, that summarizes the geographic distributor’s progress in relation to its updated implementation plan. When a load transfer arrangement has been eliminated, the geographic distributor shall file a letter with the Board confirming that the load transfer arrangement has been eliminated, the method of elimination, and the date it was eliminated.

## Attachment B

### Proposed Amendments to the Distribution System Code (Comparison Version for Information Only)

- 6.5.3 During the period between May 1, 2002 and ~~January 31, 2009~~ June 30, 2014, a physical distributor shall be obligated to continue to service an existing load transfer customer unless otherwise negotiated between the physical distributor and geographic distributor.
- 6.5.4 During the period between May 1, 2002 and ~~January 31, 2009~~ June 30, 2014, a geographic distributor that services a load transfer customer shall either:
- a. negotiate with a physical distributor that provides load transfer services so that the physical distributor will be responsible for providing distribution services to the customer directly, including application for changes to the licensed service areas of each distributor; or
  - b. expand the geographic distributor's distribution system to connect the load transfer customer and service that customer directly.

Once a load transfer customer enters into a Connection Agreement or implied contract with the physical distributor, the physical distributor shall have sole responsibility for that customer.

- 6.5.4.1 A geographic distributor shall file with the Board, by ~~December 31, 2007~~ November 30, 2010, an updated implementation plan for eliminating its existing load transfer arrangements. The updated implementation plan shall:
- a. summarize the geographic distributor's existing load transfer arrangements;
  - b. set out the geographic distributor's proposed method for eliminating each load transfer arrangement; and
  - c. set out the geographic distributor's proposed timeline for eliminating each load transfer arrangement.
- 6.5.4.2 A geographic distributor shall file an annual status report with the Board by November 30 of each year, starting in 2011 and ending in 2013, that summarizes the geographic distributor's progress in relation to its updated implementation plan. When a load transfer arrangement has been eliminated, the geographic distributor shall file a letter with the Board confirming that the load transfer arrangement has been eliminated, the method of elimination, and the date it was eliminated.