



EB-2010-0229

NOTICE OF APPLICATION AND WRITTEN HEARING

Application by Hydro One Networks Inc. for an amendment to its Electricity Distribution Licence to exempt Hydro One from the Board's October 21, 2009 Notice of Amendment to the Distribution System Code and certain sections of the Distribution System Code

The Application

Hydro One Networks Inc. ("Hydro One") filed an application dated June 30, 2010 with the Ontario Energy Board under section 74 of the *Ontario Energy Board Act, 1998* (the "Act") for an order of the Board amending Hydro One's electricity distribution licence (ED-2003-0043) to allow exemptions from certain sections of the Distribution System Code ("DSC") and the Board's October 21, 2009 Notice of Amendments to the DSC. The Board assigned file number EB-2010-0229 to the application.

Distribution System Code Requirements

Hydro One is requesting an exemption from sections 6.2.4.1e(i), 6.2.4.1c, 6.2.16, and 6.2.18 of the DSC. These sections set out the rules and process for the connection of generation facilities to the distribution system. The DSC requires that an applicant's capacity be removed if, within six months after the project capacity allocation has been allocated:

- a) a Connection Cost Agreement ("CCA") has not been executed (section 6.2.4.1e(i); or
- b) the appropriate deposits have not been paid at the time that the CCA is executed for post-October 21, 2009 applicants (section 6.2.18a)

Hydro One is requesting this exemption as it considers the timeline specified in the DSC insufficient for the processing of applications from large generators. Large generator connection applications are required to undergo more extensive connection

assessments as compared to small and midsize generators which could result in additional system upgrades and more time to process. These additional time requirements could result in the removal of the applicant's capacity allocation before the completion of the cost estimates and the CCA.

Hydro One states that the proposed exemption will ensure that generators do not risk losing their capacity allocation.

Board's October 21, 2009 Notice of Amendments to the Distribution System Code

The Board's October 21, 2009 Notice of Amendments to the DSC, stipulates October 21, 2009 as the date for the application of new cost responsibility rules.

Hydro One states that it committed to connect a number of distributed renewable generators under the terms of Connection Impact Assessments ("CIAs") and Connection Cost Recovery Agreements ("CCRAs") prior to the discovery of technical problems that had not been experienced previously and could not be reasonably foreseen.

Under the current DSC rules, generators who applied for a CIA prior to October 21, 2009, must bear the cost of resolving issues related to the connection of their assets to Hydro One's distribution system. According to Hydro One, the affected generators have already committed considerable investment to comply with all terms and conditions specified in their contracts. Hydro One does not wish to request additional funding from these generators in order to resolve these technical issues. However, Hydro One also states that it cannot recover the costs of such investments from either its distribution ratepayers or from Provincial Consumers (per Ontario regulation 330/09), under the current DSC rules.

Hydro One is requesting approval for the classification of all investments related to the resolution or mitigation of the technical issues described in the application as renewable energy expansion investments.

Hydro One states that the proposed exemptions will ensure that cost responsibility is assigned fairly for mitigating these unforeseen technical problems.

Hydro One has requested this matter proceed by way of written hearing.

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's office at the addresses indicated below and may be viewed on its website.

How to Participate

You may participate in this proceeding in one of three ways:

1. Send a Letter with your Comments to the Board

Your letter with comments will be provided to the Board panel hearing this application and will be part of the public record for the application, i.e. it will be posted on the Board's website. Your letter must be received by the Board no later than **30 days** from the date that this notice is issued. The Board accepts letters of comment by either post or e-mail at the addresses below.

2. Become an Observer

Observers do not actively participate in the proceeding but monitor the progress of the proceeding by receiving documents issued by the Board. You may request observer status in order to receive documents issued by the Board in the proceeding. If you become an observer, you need to contact the applicant and others in order to receive documents that they file in this proceeding and they may charge you for this. Most documents filed in this application will also be available on the Board's website. Your request for observer status must be made in writing and be received by the Board no later than **10 days** from the date that this notice is issued. The Board accepts observer request letters by either post or e-mail at the addresses below; however two paper copies are also required. You must also provide a copy of your letter to the applicant.

3. Become an Intervenor

You may ask to become an intervenor if you wish to actively participate in the proceeding. Intervenor status is eligible to receive evidence and other material submitted by participants in the hearing. Likewise, intervenors will be expected to send copies of any material they file to all parties to the hearing. Your request for intervenor status must be made by letter of intervention and be received by the Board no later than **10 days** from the date that this notice is issued. Your letter of intervention must include a description of how you are, or may be, affected by this proceeding; and if you represent a group, a description of the group and its membership. The Board may order costs in this proceeding. You must indicate in your letter of intervention whether you expect to seek costs from the applicant and the grounds for your eligibility for costs. You must provide a copy of your letter of intervention to the applicant.

At this time, the Board intends to proceed with this application by way of a written hearing. If you object to the Board proceeding in this fashion, your letter of intervention must state the type of proceeding you believe to be necessary and provide supporting reasons.

If you already have a user ID, please submit your intervention request through the Board's web portal at www.errr.oeb.gov.on.ca. Additionally, two paper copies are required. If you do not have a user ID, please visit the Board's website under e-filings and fill out a user ID password request. For instructions on how to submit and naming conventions please refer to the RESS Document Guidelines found at www.oeb.gov.on.ca, e-Filing Services. The Board also accepts interventions by e-mail, at the address below, and again, two additional paper copies are required. Those who do not have internet access are required to submit their intervention request on a CD or diskette in PDF format, along with two paper copies.

How to Contact Us

In responding to this notice, please reference Board file number EB-2010-0229 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 website at www.oeb.gov.on.ca or by calling our Consumer Relations Centre at 1-877-632-2727.

IMPORTANT

IF YOU DO NOT REQUEST TO PARTICIPATE IN ACCORDANCE WITH THIS NOTICE, THE BOARD MAY PROCEED IN YOUR ABSENCE AND YOU WILL NOT BE ENTITLED TO ANY FURTHER NOTICE OF THESE PROCEEDINGS.

ADDRESSES

The Board:

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4
Attention: Board Secretary
Filings: www.errr.oeb.gov.on.ca
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DATED at Toronto, July 30, 2010

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary