

Hydro One Networks Inc.

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Susan Frank

Vice President and Chief Regulatory Officer
Regulatory Affairs



BY COURIER

August 11, 2011

Ms. Kirsten Walli
Secretary
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON.
M4P 1E4

Dear Ms. Walli:

EB-2011-0118 – Hydro One Networks' Request for Exemption from Section 6.2.6 & 6.2.7 of the Distribution System Code – Undertaking Responses

I am attaching five (5) copies of the Hydro One Networks' response to Undertakings J1.1, J1.3, J1.4, J1.6 and J1.7 that have been filed today with the Board during the oral hearing for the above-mentioned proceeding.

An electronic copy of the undertakings have been filed using the Board's Regulatory Electronic Submission System and the confirmation slip has been attached.

Sincerely,

ORIGINAL SIGNED BY SUSAN FRANK

Susan Frank

Attach.

UNDERTAKING

Undertaking

Applications that require a site visit that were not issued an offer/rejection within the timelines (15/60) days that: (a) required a site visit and (b) did not require a site visit.

Response

The total number of non-compliant projects as of July 29, 2011 is 502. These projects are further broken down into those that:

1. Require a site visit – 355
2. Do not require a site visit – 147

This breakdown is based on the most recent compliance snapshot with respect to Section 6.2.6 of the Code, and is a reasonable proxy for the foreseeable future, assuming that the nature and configuration of generation connection requests remains consistent.

UNDERTAKING

Undertaking

A breakdown of non-compliance with section 6.2.7, by customer requested delays and by outstanding service conditions. For the months of May, June and July 2011.

Response

The total number of project that exceeded the 5 day timeline to connect stipulated in section 6.2.7, categorized as requested in the undertaking is as follows:

	<u>May 2011</u>	<u>June 2011</u>	<u>July 2011</u>
Connected within Timelines	364	334	327
Customer Requested Delay	82	66	53
Outstanding Service Conditions ¹	44	75	66
Total Delayed	126	141	119

Note 1: Service conditions could be an obligation on Hydro One or the Customer.

UNDERTAKING

Undertaking

What is Hydro One's assessment of the volume of applications and the impact on Hydro One if the OPA were to launch the C-FIT program.

Response

In the first six months of C-FIT program launch Hydro One anticipates a larger volume and then forecasts the volume to subside. Therefore, Hydro One's forecast is 700 per month during the first six months and approximately 400 - 500 per month thereafter.

UNDERTAKING

Undertaking

TO PROVIDE THE NOVEMBER, 2010 LETTER

Response

Please refer to Attachment 1

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Cell: (416) 258-9383
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BY COURIER

November 25, 2010

Ms. Kirsten Walli
Secretary
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON.
M4P 1E4

Dear Ms. Walli:

Compliance with Section 6.2.6 of the Distribution System Code

Hydro One Networks Inc. ("Hydro One") is informing the Board of the current status of its "offers to connect" under section 6.2.6 of the Distribution System Code (DSC), and its plans to comply with those requirements.

Section 6.2.6 requires distributors, to, "within 15 days of receiving [an application for the connection of a micro-embedded generation facility to the distribution system], make an offer to connect or provide reasons for refusing to connect the proposed generation facility".

Hydro One's understanding is that about 22,000 applications have been made to the Ontario Power Authority's ("OPA's") MicroFIT program. Approximately 16,000 of these are expected to propose connections to Hydro One's Distribution system.

About 7000 generator proponents have already applied to Hydro One. About 4,400 applicants have valid offers to connect. Of the 7,000 applications, about 1,300 applications have been withdrawn, placed on hold by the customer, or have expired. About 600 proponents who have applied to Hydro One Distribution for connection have not been informed of their connection status within the required period and therefore Hydro One finds itself in non-compliance with section 6.2.6.

Hydro One has recently implemented remediation plans, which involve process changes and a "screening tool" to more expeditiously assess those connections that can be accommodated at this time. These will help Hydro One identify any proposals that require upgrades to the distribution or transmission system in order to connect generators. Specifically, these measures will allow Hydro One

to process the large volume of connection requests by identifying those that are eligible to connect (no mitigation measures required) and those that are not, so that Hydro One can make offers to connect, or, if necessary, provide reasons for refusing to connect the facility. Accordingly, Hydro One expects to comply with section 6.2.6 in the near future.

Hydro One takes its regulatory obligations seriously, and remains committed to complying with them while supporting the connection of renewable energy generators in its service area. Hydro One will advise affected proponents of the status of application and will also keep the OEB apprised of any changes that may arise.

Sincerely,

ORIGINAL SIGNED BY SUSAN FRANK

Susan Frank

UNDERTAKING

Undertaking

Of the 15,630 total projects (Reference: EB-2011-0118, Exhibit K1.1) that have applied to Hydro One as of July 29, 2011 please provide the number of projects by direct and in-direct connection type with the following categorization:

1. Projects that received an offer to connect.
2. Projects that received a rejection.
3. Projects that are still being processed.

Also, provide a breakdown of the number projects that received an offer or a rejection, by how many were completed within the prescribed timeline and how many were not completed within the prescribed timeline and by direct and in-direct connection type.

Response

	<u>In-direct (15 days)</u>	<u>Direct (60 days)</u>	<u>Total</u>
Offer to Connect	8,585	1,858	10,443
Rejected	2,681	1,488	4,169
Being Processed	411	607	1,018
Total	11,677	3,953	15,630

	<u>Issued With timeline</u>	<u>Issued Exceeded timeline</u>	<u>Total</u>
Offer to Connect or Refusals			
In-direct	8302	2964	11,266
Direct	2045	1301	3,346