

November 21, 2011

RESS & COURIER

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Attention: Ms. K. Walli, Board Secretary

Dear Ms. Walli,

Re: CanSIA Comments on Draft Compliance Report - Application by Hydro One Networks Inc. for Exemptions from Sections 6.2.6 and 6.2.7 of the Distribution System Code (EB-2011-0118)

We are counsel to the Canadian Solar Industries Association ("CanSIA") in the above-referenced proceeding. In its Decision and Order dated October 11, 2011, the Ontario Energy Board (the "Board") ordered Hydro One Networks Inc. ("Hydro One") to file a draft monthly compliance report. Hydro One filed its draft compliance report on November 15, 2011. Pursuant to the Board's Decision and Order, Intervenor and Board staff are permitted to file comments on the content and form of the compliance report by November 22, 2011. We have reviewed Hydro One's proposed form of compliance report and, on behalf of CanSIA, offer the following comments.

A. General Comments

CanSIA generally agrees with Hydro One's approach of filing information based on Exhibits K2.1 and J1.12 as a means of avoiding duplication among the various Exhibits referenced in Appendix B of the Board's Decision and Order.

In its cover letter, Hydro One explains that it considers all open applications still being processed to be subject to the provisions of the exemption for purposes of measuring compliance. CanSIA accepts this approach to measuring compliance on the assumption that the Board will require Hydro One to measure its compliance in a consistent manner from April 11, 2012 onward. That is, any open applications still being processed as at April 11, 2012 will need to be compliant with the timelines in the Code and will not be subject to the provisions of the exemption, even if those applications were filed during the exemption period. To allow otherwise would be inappropriate as it would effectively extend the period of the temporary exemption beyond that which has been approved by the Board.

In its cover letter, Hydro One proposes to use month-end information and to then file its monthly compliance reports within 7 business days of month-end. Although CanSIA believes this approach to be reasonable and efficient, we note that the Board's Decision and

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Order requires Hydro One to file its first compliance report by December 1, 2011. Based on Hydro One's proposal, the first report would not be issued until no later than December 9, 2011.

During the course of the hearing in this proceeding, Hydro One filed Exhibits and Undertakings that provided data that was current to July 29, 2011. As noted, Hydro One is proposing to file its first compliance report by no later than December 9, 2011 and this first report would be based on data for the month ending November 30, 2011. In CanSIA's submission, Hydro One's initial compliance report should include data for each of the months ending August 31, September 30, October 31 and November 30, 2011. This would provide the Board, intervenors and interested stakeholders with a more complete set of data that picks up where the hearing left off. Moreover, such data would provide a basis for the narrative that Hydro One proposes to include in the first section of its proposed form of compliance report, which is to include discussion of trends and changes in the data.

B. Comments on "Monthly Highlights Update"

CanSIA agrees that the proposed narrative will be helpful for understanding trends and changes in the data, as well as deviations from the Compliance Plan. It is our understanding that the reference to "Underlying Assumptions and the risks that were previously identified" is in reference to the Compliance Plan filed by Hydro One on November 15, 2011. To the extent the narrative provided in any Monthly Compliance Report references any such assumptions and risks set out in the Compliance Plan, such assumptions and risks should be clearly explained directly in the Monthly Compliance Report so the report could function as a stand-alone document that can be understood regardless of whether a person has reviewed Hydro One's Compliance Plan. Moreover, as noted above, any discussion of trends, changes in data and deviations from the Compliance Plan should be with specific reference to data for the period following July 2011.

C. Comments on Specific Tables

1. Table 1

In the column "Under Review", "C" for compliant should be replaced with "PC" for Potentially Compliant as these items are still under review and will not *necessarily* be compliant.

The Types of Connection should be defined in footnotes or otherwise, in a manner consistent with the definitions used in the Board's Decision and Order.

It is not clear why four Types of Connection are listed. It is our understanding that there are three types, referred to as Group A, Group B and Group C at pp. 12-13 of the Decision and Order. Hydro One has treated Group B as two distinct types of connection. These should instead be treated as a single type of connection and the definition of Group B should explain that the Code requirement is 15 days but the temporary exemption allows for 30 days, up until April 11, 2012. Compliance should therefore be measured on the basis of 30 days up to April 11, 2012 and on the basis of 15 days thereafter. This could be split out into a separate table for compliance reports covering the months of April 2012 and beyond. This would also ensure consistency with the breakdown in the remainder of the Draft Compliance Report.

To be consistent with the proposed reporting format set out in Exhibit 2.1 and to further ensure a complete set of data that picks up where the hearing left off, Hydro One should

include a table similar to the proposed Table 1, but which shows cumulative totals for the period beginning August 1, 2011. This would be in addition to the monthly snapshot that Hydro One has proposed.

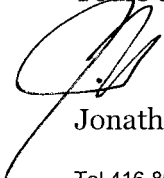
2. Table 4

Table 4, as proposed by Hydro One, is inadequate and unclear. Section 6.2.7 of the Code requires Hydro One to connect an applicant's micro-embedded generation facilities to its distribution system within 5 days of the applicant informing Hydro One that it has received all necessary approvals, etc. In its Decision and Order, the Board accepted Hydro One's proposal to substitute, for the exemption period, the requirements in Section 7.2.1 of the Code (which applies to load connections). The Board also accepted Hydro One's proposal to apply Section 7.2.3 of the Code, which is a requirement for 90% compliance on a yearly basis, for the exemption period. After April 11, 2012, Hydro One will be required to meet the conditions of Section 6.2.7 of the Code. As such, Hydro One's compliance reporting needs to present (a) compliance levels with the requirements in 6.2.7 as an indicator of how it is or is not trending toward compliance by April 11, 2012, (b) compliance levels with the requirements in 7.2.1 as an indicator of the extent to which Hydro One is compliant during the exemption period, and (c) an indication of whether the compliance level in (b) meets the 90% threshold per 7.2.3 of the Code.

D. Comments on Graphs

Hydro One should clarify the periods of time reflected by the data in each of the three proposed graphs. It is not clear as to whether the graphs reflect processing times for applications that have been submitted as of a certain date, or whether they reflect applications for which processing was completed as of the end of the prior month, or whether they reflect applications that were late as of the end of the prior month (in which case, if they continue to be late as of the end of the following month, they will still be reflected in the graph with an additional month of processing time in the subsequent Compliance Report).

Yours truly,



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