



ONTARIO ENERGY BOARD

BOARD STAFF SUBMISSION

**Comments on Form of Compliance Report
with respect to the Board's Decision and Order
on an Application for Exemption from Section
6.2.6 & 6.2.7 of the Distribution System Code**

Hydro One Networks Inc.

EB-2011-0118

November 22, 2011

As part of its Decision and Order issued on October 11, 2011, the Board ordered that Hydro One file a draft form of compliance report, outlining its progress with respect to its efforts to comply with sections 6.2.6 and 6.2.7 of the Distribution System Code during the exemption period. Hydro One filed this draft compliance report on November 15, 2011. Board staff has reviewed this report, and provides the following submissions.

Hydro One indicated that it has consolidated the compliance reporting parameters at Appendix B of the Board Decision to avoid duplication. Board staff believes that the removal of this duplication will not affect the review of Hydro One's efforts to comply over the exemption period.

Hydro One has also proposed that the report should contain information as of month end as this aligns with its existing process and results in an efficient use of resources. Board staff believes that this is a reasonable approach and is consistent with the presentation of the data that was provided during the course of the hearing as part of J1.11.

Hydro One has indicated that it proposes to file its compliance reports no later than the seventh day after each month end. The Board indicated that the first compliance report shall be filed by January 1, 2012. Board staff submits that Hydro One file its first report by no later than January 1, 2012, which would allow Hydro One to capture all filings in the previous period as a baseline report, and to comply with the Board's Order. Given that this first report would have information to November 30, 2011, Hydro One may wish to comment in its reply on whether this first report could be filed earlier to allow for review before the next report is filed. Hydro One could then file its next report, for the December 1 through 31 period, by January 7, 2012 to properly align the monthly snapshots with the calendar month, and to ensure efficient use of its resources. Staff submits that such alignment is desirable to allow the most meaningful review of Hydro One's specific compliance efforts. In tabular form, Hydro One's compliance reports would be filed as per the schedule below:

Board staff table – Filing date and monthly snapshot of efforts to comply

Filed by	Corresponding monthly snapshot
January 1, 2012	all applications received since the Decision and Order of the Board to November 30, 2011
January 7, 2012	December 2011
February 7, 2012	January 2012
...	...

At Table 1 of the Compliance Report, Hydro One includes compliance status for volumes of applications. Four categories of connection are listed. Board staff assumes that the 15 and 30 day categories for indirect connections are listed separately to track applications received before and after the effective date of the exemption. Board staff invites Hydro One to otherwise explain why there is a fourth category, rather than the three outlined in the Board's Decision and Order since there is no longer a "15 days, indirect & site visit" category as a result of the Board's Decision and Order.

While the Board did not make allowance for comment on the Compliance Plan, Hydro One notes significant potential risks to its efforts to comply in the Compliance Plan, namely "emergency response and power outages". According to Hydro One's evidence in EB-2011-0118, resolving outages is of higher priority than generation connections and has been referred to in this proceeding as an "all hands on deck" situation. Hydro One notes at page 9 of its Compliance Plan that, "compliance can be negatively impacted for two to three weeks following a storm or other widespread power restoration event."

Given the concerns raised by Hydro One in its Compliance Plan, Board staff believes it would be useful to the Board if Hydro One could provide a detailed description of any outages that have a negative effect on Hydro One's compliance efforts over the exemption period. Providing such information would give the Board the ability to cross-reference adverse performance with respect to generation connections with severe outage events and the need to divert crews that would otherwise perform assessment and generation connection activities.

Hydro One has also indicated in its Compliance Plan that its ability to comply is based on the expectation that volumes of applications experienced in previous periods remain the same. This was summarized in the Compliance Plan:

"This Plan assumes certain 'steady state' conditions to exist, so that weekly volumes of applications and requests for connection will remain close to those that were witnessed historically and so that there would be few, 'step changes' experienced." (page 3, para. 3)

Given the above, Board staff feels that it would be of assistance to the Board for Hydro One to provide the number of applications received weekly, by type, if not otherwise captured as part of the previous month's snapshot. This would provide the Board with an indication as to whether or not there were 'step changes' or spikes in the volumes of

applications received by Hydro One; conversely, weekly figures may indicate a significant drop in applications as a result of the OPA's recently announced microFIT Program Review or other contributing factors.

With these modifications, Board staff believes the form of reporting proposed by Hydro One will allow the Board to effectively monitor and track Hydro One's efforts to comply with sections 6.2.6 and 6.2.7 of the Distribution System Code over the exemption period ending April 11, 2012. All of which is respectfully submitted.

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