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BY EMAIL AND WEB POSTING

March 28, 2013

NOTICE OF PROPOSAL TO AMEND A CODE

PROPOSED AMENDMENTS TO THE DISTRIBUTION SYSTEM CODE

BOARD FILE NO.: EB-2012-0246

**To: All Participants in EB-2012-0246
All Licensed Electricity Distributors
All Licensed Electricity Generators
All Licensed Electricity Transmitters
All Other Interested Parties**

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

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

A. Background

The purpose of the proposed revisions to the DSC is to address various matters related to the connection of micro-embedded generation facilities to the distribution system. On December 21, 2012, the Board issued a [Board Staff Discussion Paper](#) (the "December Discussion Paper") for stakeholder comment that described and examined a number of issues related to the connection of micro-embedded generation facilities.

The Board received 15 comments on the December Discussion Paper from a variety of stakeholders, including the Ontario Power Authority ("OPA"), the Northwestern Ontario

Associated Chamber of Commerce (“NOACC”), the Power Workers’ Union (“PWU”), and representatives of distributors, generators, and ratepayers. All submissions received on the December Discussion Paper are [available on the Board’s website](#).

The Board has considered the submissions received and has determined that revisions should be proposed to the DSC.

B. Proposed Amendments to the DSC

The Board is proposing to amend the DSC to revise the current rules for the connection of micro-embedded generation facilities. The proposed amendments are summarized below. The text of the proposed amendments to the DSC is set out in Attachment A to this Notice. The blue, underlined wording indicates the additions to the DSC and the red, strikethrough wording indicates the deletions from the DSC. Attachment B contains a clean version of the sections of the DSC containing the proposed amendments.

1. Offer to Connect

Section 6.2.6 of the DSC requires a distributor to make an offer to connect, or provide reasons for refusing to connect, a micro-embedded generation facility within:

- (a) 15 days of receiving the application if the micro-embedded generation facility is located at an existing customer connection; or
- (b) 60 days of receiving the application if the micro-embedded generation facility is not located at an existing customer connection.

In either case, the distributor must give the applicant at least 30 days to accept the offer to connect and the distributor is not permitted to revoke the offer to connect until the 30 day period has expired.

Section 6.2.6 of the DSC also states that “the distributor shall not charge for the preparation of the offer to connect.”

The December Discussion Paper noted that the OPA’s microFIT program was resulting in a high volume of applications for offers to connect micro-embedded generation facilities. The volume of applications was making it difficult for certain distributors to comply with the requirements of section 6.2.6. Specifically, Hydro One was unable to

process applications for connections within the timelines set out in section 6.2.6 for projects requiring a site assessment, resulting in multiple applications to the Board for code exemptions ([EB-2011-0118](#) and [EB-2012-0343](#)).

The December Discussion Paper also noted that, in some cases, it appears some project proponents have been seeking an offer to connect for a number of projects even though they only intended to develop a small number of the projects submitted. These “speculative” requests inhibit the ability of distributors to process the applications of other project proponents.

In light of these circumstances, the December Discussion Paper asked stakeholders to comment on whether distributors required additional tools to better manage the large volume of connection requests (i.e., through charging for an offer to connect) and whether the timelines in section 6.2.6 were appropriate.

With respect to timelines, Hydro One and the Electricity Distributors Association (“EDA”) stated that the section 6.2.6 of the DSC should be amended to adopt Hydro One’s exemption provisions for making an offer to connect, where:

- (a) an “indirect”¹ connection, where a site assessment is not required: 15 days (status quo);
- (b) an “indirect” connection, where a site assessment is required: 30 days (the exemption); and
- (c) a “direct”² connection, where a site assessment is always required: 60 days (status quo).

Having reviewed the submissions to the December Discussion Paper, the Board has concluded that amendments to the timelines for applications at an existing connection point that require a site assessment are warranted. The Board is therefore proposing to amend section 6.2.6 of the DSC to extend the processing timelines to 30 days for projects located at an existing customer connection that requires a site assessment. The Board is not proposing to amend 6.2.6 of the DSC by adding a 90% compliance requirement because the Board believes that the proposed amendment discussed above, plus the amendment regarding the collection of a deposit discussed below, as

¹ “Indirect” connection refers to a project where a new connection is not required. This type of connection is also referred to as “parallel” connection, since the connection utilizes the existing connection point.

² “Direct” connection refers to a project where a new connection is required.

well as the OPA's new microFIT rules and pricing will reduce both speculative and total application volumes to more manageable levels.

The Board will also add a definition of "day" into the DSC to clarify that unless otherwise stated in the DSC, days means calendar days. The Board will also add in a definition for "business day".

With respect to charging for an offer to connect, almost all stakeholders expressed support for an option that would allow distributors to collect a refundable deposit from proponents for preparing an offer to connect.

Hydro One indicated that its most significant efforts are related to processing applications that require a site assessment and recommended that it be permitted to collect a \$300 deposit from only those customers that require a site assessment. Hydro One stated that the \$300 was based on the time and materials required to perform such an assessment.

The OPA stated that the re-launched microFIT program rules require applicants to demonstrate site access, which will deter speculative applications, but stated that they would support a fully refundable deposit. Generator proponents also argued that the microFIT 2.0 program will have lower application volumes than the initial program but also stated that they were not opposed to a refundable deposit.

Having reviewed the submissions to the December Discussion Paper, and taking into account Hydro One's experience which demonstrates that projects requiring site assessments are more costly and take more time to process than projects where no site assessment is required, the Board has concluded that it will allow distributors to collect a deposit for applications that require a site assessment.

The Board is therefore proposing to amend section 6.2.6 of the DSC (and to add additional sections to the DSC) to allow distributors to collect a deposit (refundable under certain conditions) from applicants that require a site assessment, up to a maximum of \$500. The Board believes that this measure will enable distributors to deter speculative applications. If the applicant connects a micro-embedded generation facility, the deposit would be credited towards its connection costs. Where the applicant's application for an offer to connect is rejected because of technical limitations (i.e., lack of capacity), the applicant would have its deposit refunded. Where the

applicant does not accept the distributor's offer to connect or otherwise withdraws its application, the applicant would forfeit its deposit.

2. Connecting Micro-Embedded Generation Facilities

Section 6.2.7 of the DSC requires distributors to connect an applicant's micro-embedded generation facility to its distribution system within 5 days of an applicant:

- (a) informing the distributor that it has received all necessary approvals;
- (b) providing the distributor with a copy of the authorization to connect from the Electrical Safety Authority;
- (c) entering into a Connection Agreement in the form set out in Appendix E of the DSC; and
- (d) paying the distributor for the connection costs, including costs for any necessary new or modified metering.

This differs from the requirements contained in sections 7.2.1 and 7.2.3 of the DSC. Those sections deal with the connection of new service requests for low voltage services. The sections require distributors to connect the new service within 5 "business" days from the day on which all applicable service conditions are satisfied, or at such later date as agreed to by the customer and distributor. This service quality requirement must be met at least 90 percent of the time on a yearly basis.

The December Discussion Paper noted that the OPA's microFIT program was resulting in a high volume of applications for offers to connect micro-embedded generation facilities. The volume of applications was making it difficult for certain distributors to comply with the requirements of section 6.2.7. Specifically, Hydro One was unable to process applications for connections within the timelines set out in section 6.2.7, resulting in multiple applications to the Board for code amendments ([EB-2011-0118](#) and [EB-2012-0343](#)).

In light of these circumstances, the December Discussion Paper asked stakeholders to comment on whether the timelines of section 6.2.7 of the DSC were appropriate or should be amended, for example, through aligning section 6.2.7 of the DSC with the requirements in sections 7.2.1 and 7.2.3 of the DSC.

Many stakeholders supported aligning section 6.2.7 of the DSC with the requirements in

sections 7.2.1 and 7.2.3 of the DSC.

In its submission, Hydro One stated the harmonization of section 6.2.7 with section 7.2 “would provide for the fair treatment of all customers, so that the connections of one customer type (micro-embedded generators, today) do not take precedence over another (load customers).” Further, Hydro One stated that harmonization would provide “distributors with a clear indication on the prioritization of work so that, for example, power restorations, load connections, and other demand work (e.g. cable locates) are not unduly compromised to meet more stringent requirements for micro-embedded generation connections.”

The Board believes it is appropriate to harmonize the connection timelines for micro-embedded generation facilities with those for the connection of a new low voltage service request. The Board is therefore proposing to amend section 6.2.7 of the DSC to align with sections 7.2.1 and 7.2.3 of the DSC.

3. Connection Charges

The December Discussion Paper noted that survey data collected by the Board in 2010 revealed significant variations among distributors in terms of the amounts being charged for the connection of micro-embedded generation facilities. Specifically, data provided by the by 36 distributors showed charges ranging from \$0 to over \$1,000.

The survey responses showed that distributors were charging the connection costs in a variety of ways including, but not limited to:

- (a) connection charges were based on the actual costs for each connection;
- (b) standard connection charges were applied in projects requiring typical connections; however, if a request was identified as non-typical, actual costs were charged;
- (c) a standard connection charge applied in all cases;
- (d) two standard connection charges applied depending on whether the site was urban or rural;
- (e) no connection charges were levied for a basic microFIT generator connection since the activities required were similar to a basic residential load connection and the costs of making a basic connection are captured in distribution rates; and
- (f) only the cost of the meter was recovered.

The December Discussion Paper sought views from stakeholders regarding the need for, and benefits of, a standardized approach to charging for connection costs in relation to micro-embedded generation facilities and the method by which distributors recover these connection charges.

Stakeholders provided a wide range of responses to this issue, although most expressed the view that micro-embedded generation facilities should pay the full costs of connection based on the actual costs of their specific connection.

Some distributors stated that the existing provisions were adequate and that no changes should be made. Other distributors expressed the view that the Board should adopt a formulaic approach similar to the approach used in the establishment of the Specific Service Charges (i.e., the methodology is the same for all distributors but the costs and the resulting charge are different for each distributor). A ratepayer representative and generator representatives suggested that the Board set a standard connection charge.

In addition, one of the generator representatives suggested that connection charges be recovered through the monthly service charge.

The Board has consistently stated that generators should pay the full costs of their connection. However, section 3.1.5 of the DSC currently gives distributors the discretion to recover connection costs through their revenue requirement rather than through a connection charge. The Board's 2010 survey indicates that some distributors are recovering micro-embedded generation facility connection costs through their revenue requirement (i.e., socializing the costs). The Board does not believe that other ratepayers should bear these connection costs.

The Board is therefore proposing to amend section 3.1.5 of the DSC and add section 3.1.5A to the DSC to require distributors to define a basic connection for micro-embedded generation facilities and to recover the cost of connection for micro-embedded generation facilities through a basic connection charge. This basic connection charge would, at a minimum, include the costs of the supply and installation of the customer's meter.

4. Standard Form Agreement

Section 6.2.7 of the DSC states that connection agreements for micro-embedded generation facilities shall be in the form set out in Appendix E of the DSC. The standard form connection agreement includes provisions dealing with technical requirements, liabilities, compensation, and billing. The DSC does not make any allowances for modifications or amendments to the standard form connection agreement for micro-embedded generation facilities.

The December Discussion Paper requested that stakeholders provide information about their concerns with the standard form connection agreement for micro-embedded generation facilities in Appendix E of the DSC (the “connection agreement”), noting that some distributors have argued that the connection agreement should be revisited, especially in relation to insurance and liability.

Stakeholders provided a wide range of responses to this issue.

Some distributors stated that they had no issues or concerns with the current connection agreement.

The EDA stated that distributors are currently at risk from third party liability claims resulting from micro-embedded generation facilities’ equipment malfunctions that are not the result of distributor’s activities. Therefore, the EDA argued that “provisions indemnifying [distributors] from all claims associated with the connection of the micro embedded generation facility should be included in the standard form.”

One generator representative stated that no changes respecting insurance were required. Another generator representative stated that if insurance requirements are added that they should be simple and avoid complexity.

Hydro One did not recommend adopting a requirement for micro-embedded generation facilities to obtain mandatory insurance but raised other issues related to the standard form agreement. Hydro One argued that the current provisions in section 2.3 of the connection agreement regarding the ability of a distributor to automatically disconnect a micro-embedded generation facility (including through the meter) for safety and reliability purposes are overly narrow and should be expanded. Hydro One also argued that, if its suggestion on disconnection was adopted, additional provisions holding

distributors harmless from claims of compensation (i.e., lost profits) resulting from disconnection should be added to the standard form agreement.

Hydro One also stated that the Board may want to consider adding clauses regarding the disconnection of generation facilities that are generating over their nameplate rated capacity and indemnifying distributors from third-party claims.

The Board does not believe that Hydro One provided compelling information to support amendments to broaden the ability of a distributor to automatically disconnect a micro-embedded generation facility. The DSC already includes provisions that allow distributors to disconnect or refuse to continue to connect a customer (which includes an embedded generation facility) for safety and reliability issues. The Board is therefore not proposing to amend section 2.3 of the connection agreement for these issues.

The Board also does not propose to make changes related to holding distributors harmless from claims of compensation (i.e., lost profits) resulting from disconnection because the Board is of the view that this is already covered by section 3.2 of the connection agreement. The Board will also not propose any amendments related to (1) the disconnection of generation facilities that are generating over the nameplate rated capacity; (2) mandatory insurance requirements for micro-embedded facilities; or (3) indemnifying distributors from third-party claims. The Board does not believe that compelling information supporting such amendments has been made by stakeholders.

5. Upstream Cost Responsibility

The DSC is currently silent on the issue of cost responsibility for upstream upgrades for not only micro-embedded generation facilities but for all embedded generation facilities (and loads).

The December Discussion Paper noted that codifying cost responsibility for upstream upgrades caused by micro-embedded generation facilities in the DSC may be warranted but that the issue of cost responsibility for upstream upgrades is broader than the scope of this consultation. The December Discussion Paper sought comments from stakeholders on how the Board should approach the issue of upstream cost responsibility for micro-embedded generation facilities.

Stakeholders provided a wide range of responses to this issue.

Overall, stakeholders agreed that the issue of upstream cost responsibility was broader than this consultation and that the Board should await the conclusion of the issues related to cost responsibility being reviewed by the Board as part of the [Renewed Regulatory Framework for Electricity](#) (“RRFE”).

However, Hydro One suggested that this consultation should provide greater clarity regarding upstream cost responsibility by formally defining the term “upstream costs” in the DSC.

Some distributor representatives indicated that upstream cost responsibility is not an issue for micro-embedded generation facilities because projects triggering upgrades to the transmission system or the system of a host distributor would have their applications rejected for technical limitations.

The Board has decided that it will not deal with the issue of upstream cost responsibility in this consultation. As noted by some stakeholders, this has not been an issue with respect to micro-embedded generation facilities because the current approach of distributors to dealing with potential upstream upgrades triggered by a micro-embedded generation facility is to deny the connection, which prevents cost responsibility issues from arising.

Furthermore, the Board reminds distributors that they are expected to plan for micro-embedded and other distributed generation as part of system planning, which should mitigate against upstream costs being triggered by specific micro-embedded generation facilities. The Board previously stated during [EB-2009-0077](#) that it expects transmitters and host distributors to be mindful of the implications of the renewable generation connections that are anticipated to occur to the systems of their embedded distributors and to plan their systems accordingly.

If the Board decides to pursue an initiative regarding upstream cost responsibility in the future, stakeholders will be notified.

6. Other Matters

The December Discussion Paper requested that stakeholders provide their views on the underlying methodology used to set the province-wide fixed monthly charge, the rate treatment of non-microFIT, micro-embedded generation facilities, and issues related to

the consumption of electricity by micro-embedded generation facilities.

All stakeholders commenting on the methodology used to set the province-wide fixed monthly charge stated that no changes should be made at this time.

With respect to the treatment of non-microFIT, micro-embedded generation facilities, stakeholders expressed the view that these facilities should be included in the microFIT rate class because the costs associated with both accounts are the same.

With respect to the consumption of electricity by micro-embedded generation facilities, stakeholders agreed that micro-embedded generators should be charged for consumption. However, distributors stated that the consumption was trivial and that the costs of billing for this type of consumption exceeded the value of the collections. For example, Halton Hydro stated that the total consumption by microFIT projects accounted for 0.0004% of their total wholesale load.

One distributor noted extraordinary consumption by microFIT customers (i.e., as high as 100kWh/month) due to inefficient transformers.

Some distributors suggested that micro-embedded generation facilities should be issued individual bills based on actual metered usage but that the decision to bill should be left to the discretion of the distributor because of the cost of issuing the bills. Hydro One suggested that because of the prohibitive costs of billing, consumption by micro-embedded generation facilities should be incorporated into the monthly service charge.

The Board is of the view that consumption by micro-embedded generation facilities should be incorporated into the monthly service charge. Other than this change to incorporate consumption, the Board is not proposing additional changes to the methodology used to determine the province-wide fixed monthly service charge.

The Board also believes that non-microFIT, non-net-metered micro-embedded generation facilities should be included in the microFIT rate class. Currently, such facilities are being billed at the higher GS<50 monthly charge because they are not eligible for the microFIT charge.

These changes will require a hearing. When the Board initiates a hearing to address these matters, stakeholders will be notified.

C. Anticipated Costs and Benefits

The Board believes the proposed amendments will benefit consumers because they will no longer have to bear the costs of certain applications for offers to connect a micro-embedded generation facility or the costs of connecting micro-embedded generation facilities.

Distributors will benefit from the additional time for the processing of applications for offers to connect for indirect connections that require a site visit.

Distributors will benefit from more flexibility regarding the timing of connecting projects to the distribution system. Applicants for micro-embedded generation facilities will also benefit from these changes because there may be circumstances where the applicant requires greater flexibility regarding when its project is connected. Distributors and applicants micro-embedded generation facilities will also benefit from a reduction in speculative applications, which will facilitate the faster processing of applications.

By requiring distributors to define a basic connection, the proposed amendments will provide less variation and greater certainty to applicants for micro-embedded generation facilities regarding the costs of connecting their projects to the distribution system.

Furthermore, the amendments will reduce regulatory costs by lessening the need for applications and participation in hearing processes for exemptions from sections 6.2.6 and 6.2.7 of the DSC. This will benefit distributors, generators, the Board, and consumers.

The potential costs of the proposed amendments will be borne by some applicants for micro-embedded generation facilities because, in some cases, they may have to wait longer for their project(s) to be connected. Micro-embedded generation facilities will also bear the cost of paying the full cost of their connection. Lastly, applicants for micro-embedded generation facilities that require a site assessment will bear the cost of forfeited deposits in the event they withdraw their application(s).

The Board believes that the benefits of the proposed amendments will outweigh the costs of the proposed amendments.

D. Coming into Force

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

E. Invitation to Comment

All interested parties are invited to submit written comments on the proposed amendments to the DSC as set out in Attachment A by **April 19, 2013**.

Three (3) paper copies of each filing must be provided, and should be sent to:

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

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 <https://www.pes.ontarioenergyboard.ca/eservice/>. 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.ontarioenergyboard.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@ontarioenergyboard.ca.

Those that do not have internet access should provide a CD 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-2012-0246** and include your name, address, telephone number and, where available, your e-mail address and fax number.

If the written comment is from a private citizen (i.e., not a lawyer representing a client, not a consultant representing a client or organization, not an individual in an organization that represents the interests of consumers or other groups, and not an individual from a regulated entity), before making the written comment available for viewing at the Board's offices or placing the written comment on the Board's website, the Board will remove any personal (i.e., not business) contact information from the written comment (i.e., the address, fax number, phone number, and e-mail address of the individual). However, the name of the individual and the content of the written comment will be available for viewing at the Board's offices and will be placed on the Board's website.

This Notice, including the proposed amendments to the DSC set out in Attachment A, and all written comments received by the Board in response to this Notice, will be available for public viewing on the Board's web site at www.ontarioenergyboard.ca and at the office of the Board during normal business hours.

If you have any questions regarding the proposed amendments to the DSC described in this Notice, please contact Roy Hrab at roy.hrab@ontarioenergyboard.ca or at 416-440-7745. The Board's toll free number is 1-888-632-6273.

DATED at Toronto, March 28, 2013

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Attachments: Attachment A—Proposed Amendments to the DSC
Attachment B—Clean Version of DSC Sections Containing the
Proposed Amendments

**Attachment A
To
Notice of Proposed Amendments to the Distribution System Code**

March 28, 2013

EB-2012-0246

Proposed Amendments to the DSC

Blue, underlined text indicates proposed additions to the DSC and red, strikethrough text indicates proposed deletions from the DSC.

In the appropriate alphabetical place in section 1.2 of the DSC:

“business day” means any day that is not a Saturday, a Sunday, or a legal holiday in the Province of Ontario;

“day” means a calendar day unless specifically stated otherwise;

In section 3.1 of the DSC:

3.1.5 For non-residential customers other than micro-embedded generation facility customers, a distributor may define a basic connection by rate class and recover the cost of connection either as part of its revenue requirement, or through a basic connection charge to the customer.

3.1.5A For micro-embedded generation facility customers, a distributor shall define a basic connection and recover the cost of the basic connection through a charge to the customer. The basic connection for each micro-embedded generation facility customer shall include, at a minimum, the supply and installation of any new or modified metering.

In section 6.2 of the DSC:

6.2.6 Where the proposed micro-embedded generation facility is:

- (a) located at an existing customer connection and a site assessment is not required, the distributor shall, within 15 days of receiving the application, make an offer to connect or provide reasons for refusing to connect the proposed generation facility;-
- (b) ~~Where the proposed micro-embedded generation facility~~ located at an existing customer connection and a site assessment is required, the distributor shall, within 30 days of receiving the application, make an offer to connect or provide reasons for refusing to connect the proposed generation facility; or
- (c) ~~will be~~ located other than at an existing customer connection, the distributor shall, within 60 days of receiving the application, make an offer to connect or provide reasons for refusing to connect the proposed generation facility.

In ~~either all~~ cases, the distributor shall give the applicant at least 30 days to accept the offer to connect and the distributor shall not revoke the offer to connect until this time period has expired. ~~The distributor shall not charge for the preparation of the offer to connect.~~

6.2.6A If the connection of the micro-embedded generation facility will not require a site assessment, then the distributor cannot charge for the preparation of the offer to connect.

6.2.6B If the connection of the micro-embedded generation facility will require a site assessment, then the distributor may collect a connection deposit for the preparation of the offer to connect. The connection deposit shall not be more than \$500 per offer to connect.

6.2.6C The connection deposit shall be provided in the form of cash, cheque, letter of credit from a bank as defined in the *Bank Act*, or surety bond. The distributor shall allow the applicant to select the form of the connection deposit.

6.2.6D If the distributor refuses to provide an offer to connect the micro-embedded generation facility due to technical limits or constraints, the connection deposit shall be refunded to the applicant. The distributor shall return the connection deposit to the applicant no later than 30 days after refusing to provide the offer to connect.

6.2.6E If the applicant does not accept the distributor's offer to connect the micro-embedded generation facility, or if the applicant withdraws its application, then the distributor shall retain the connection deposit.

6.2.6F If the distributor determines that the actual costs of connecting the micro-embedded generation facility to the distributor's distribution system are less than the connection deposit, the distributor shall, at the time of connection, refund the excess amount to the applicant.

6.2.6G Where the applicant provided the connection deposit to the distributor in the form of cash or cheque, and where the distributor has to refund any or all of the connection deposit to the applicant in accordance with this Code, the return of the connection deposit shall be in accordance with the following conditions:

- (a) interest shall accrue monthly on the connection deposit amount commencing on the receipt of the connection deposit by the distributor; and
- (b) the interest rate shall be at the Prime Business Rate set by the Bank of Canada less 2 percent.

6.2.7 The distributor shall connect the applicant's micro-embedded generation facility to its distribution system within 5 business days, or at such later date as agreed to by the applicant and the distributor, of the applicant informing the distributor that it has received all necessary approvals, providing the distributor with a copy of the authorization to connect from the ESA, entering into a Connection Agreement in the form set out in Appendix E and paying the distributor for the connection costs, including costs for any necessary new or modified metering.

6.2.7A The requirement in section 6.2.7 must be met 90 percent of the time on a yearly basis.

**Attachment B
To
Notice of Proposed Amendments to the Distribution System Code**

March 28, 2013

EB-2012-0246

Proposed Amendments to the DSC

Clean Version

In the appropriate alphabetical place in section 1.2 of the DSC:

“business day” means any day that is not a Saturday, a Sunday, or a legal holiday in the Province of Ontario;

“day” means a calendar day unless specifically stated otherwise;

In section 3.1 of the DSC:

3.1.5 For non-residential customers other than micro-embedded generation facility customers, a distributor may define a basic connection by rate class and recover the cost of connection either as part of its revenue requirement, or through a basic connection charge to the customer.

3.1.5A For micro-embedded generation facility customers, a distributor shall define a basic connection and recover the cost of the basic connection through a charge to the customer. The basic connection for each micro-embedded generation facility customer shall include, at a minimum, the supply and installation of any new or modified metering.

In section 6.2 of the DSC:

6.2.6 Where the proposed micro-embedded generation facility is:

- (a) located at an existing customer connection and a site assessment is not required, the distributor shall, within 15 days of receiving the application, make an offer to connect or provide reasons for refusing to connect the

- proposed generation facility;
- (b) located at an existing customer connection and a site assessment is required, the distributor shall, within 30 days of receiving the application, make an offer to connect or provide reasons for refusing to connect the proposed generation facility; or
 - (c) located other than at an existing customer connection, the distributor shall, within 60 days of receiving the application, make an offer to connect or provide reasons for refusing to connect the proposed generation facility.

In all cases, the distributor shall give the applicant at least 30 days to accept the offer to connect and the distributor shall not revoke the offer to connect until this time period has expired.

6.2.6A If the connection of the micro-embedded generation facility will not require a site assessment, then the distributor cannot charge for the preparation of the offer to connect.

6.2.6B If the connection of the micro-embedded generation facility will require a site assessment, then the distributor may collect a connection deposit for the preparation of the offer to connect. The connection deposit shall not be more than \$500 per offer to connect.

6.2.6C The connection deposit shall be provided in the form of cash, cheque, letter of credit from a bank as defined in the *Bank Act*, or surety bond. The distributor shall allow the applicant to select the form of the connection deposit.

6.2.6D If the distributor refuses to provide an offer to connect the micro-embedded generation facility due to technical limits or constraints, the connection deposit shall be refunded to the applicant. The distributor shall return the connection deposit to the applicant no later than 30 days after refusing to provide the offer to connect.

6.2.6E If the applicant does not accept the distributor's offer to connect the micro-embedded generation facility, or if the applicant withdraws its application, then the distributor shall retain the connection deposit.

6.2.6F If the distributor determines that the actual costs of connecting the micro-

embedded generation facility to the distributor's distribution system are less than the connection deposit, the distributor shall, at the time of connection, refund the excess amount to the applicant.

6.2.6G Where the applicant provided the connection deposit to the distributor in the form of cash or cheque, and where the distributor has to refund any or all of the connection deposit to the applicant in accordance with this Code, the return of the connection deposit shall be in accordance with the following conditions:

- (a) interest shall accrue monthly on the connection deposit amount commencing on the receipt of the connection deposit by the distributor; and
- (b) the interest rate shall be at the Prime Business Rate set by the Bank of Canada less 2 percent.

6.2.7 The distributor shall connect the applicant's micro-embedded generation facility to its distribution system within 5 business days, or at such later date as agreed to by the applicant and the distributor, of the applicant informing the distributor that it has received all necessary approvals, providing the distributor with a copy of the authorization to connect from the ESA, entering into a Connection Agreement in the form set out in Appendix E and paying the distributor for the connection costs, including costs for any necessary new or modified metering.

6.2.7A The requirement in section 6.2.7 must be met 90 percent of the time on a yearly basis.