



June 17, 2013

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

via RESS and courier

Dear Ms. Walli:

**Re: Proposed Amendments to the Transmission System Code (“TSC”) and the Distribution Code (“DSC”)
Board File No.: EB-2011-0043**

These are the submissions of the Coalition of Large Distributors (the “CLD”) in response to the Ontario Energy Board’s (“OEB” or the “Board”) May 17, 2013 Notice of Proposal to amend the Transmission System Code and the Distribution System Code (“Notice of Proposal”). The CLD comprises Enersource Hydro Mississauga Inc., Horizon Utilities Corporation, Hydro Ottawa Limited, PowerStream Inc., Toronto Hydro-Electric System Limited and Veridian Connections Inc.

The proposed revisions to the TSC and DSC in the Board’s Notice of Proposal are made to enable implementation of the Board’s policies set out in its October 18, 2012 Renewed Regulatory Framework for Electricity Board Report (“RRFE Report”), as those policies relate to the planning of transmission and distribution investments. The CLD is supportive of the Board’s RRFE initiative and the implementation of a structured and transparent approach to regional infrastructure planning, and welcomes this opportunity to provide input into the proposed enabling TSC and DSC amendments.

In addition, the CLD commends the Planning Process Working Group (“PPWG”) on the development of the process that transmitters and distributors are expected to follow to ensure the effective integration into utility planning processes of regional issues and requirements.

The Board, in its Notice of Proposal, has requested that comments on the proposed code amendments include feedback in relation to the proposed timelines that are attached to the key regional planning obligations of transmitters and distributors as contemplated in PPWG Report. The following comments address these and other matters.

Proposed Timelines

The CLD believes that while the proposed timelines are not unreasonable overall, there are benefits to be realized from certain modifications, some of which are set out below.

1. Throughout the proposed amendments there are inconsistencies in the proposed timeline requirements for the provision of documents. Specifically, some timelines require documents to be provided “within days of request” while others require that documents be provided “within days of receipt of request”. The CLD recommends that where appropriate all requirements for provision of documents specify “within days of receipt of request”. Such a provision will eliminate confusion and provide certainty for stakeholders.
2. LDCs will be required to provide documentation in support of an application, specifically:
 - Regional Infrastructure Plan (“RIP”), where one was determined to be necessary and has been completed;
 - Letter from the lead transmitter identifying the status of regional planning, where a RIP is necessary but not yet completed; or
 - Needs assessment report, where LDC involvement in a regional planning process is not necessary.

The CLD notes that the proposed timing of the RIP planning process is dictated by the lead transmitter in consultation with the OPA. As such, the RIP planning process may not align with LDCs’ needs for the filing of their applications. The PPWG has prioritized the 21 planning regions into three (3) groups for RIP planning and implementation. It is not clear how LDCs will participate in and provide the required documentation based on this process.

3. The proposed timelines may be a little tight for studies which take the Integrated Regional Resource Plan (“IRRP”) path. The CLD recommends that the proposed timelines be amended as appropriate to make allowance for the fact that regional planning in certain areas of the province may naturally take more time than other areas due to IRRP considerations.

Monitoring and Reporting

Transfer of Regional Infrastructure Plan (“RIP”) Review Responsibility to LDC

Proposed TSC 3C3.1 requires the lead transmitter, in consultation with the OPA and with all applicable licensed LDCs and licensed transmitters in a region, to review a RIP every 12 months following its completion, among other things to determine “whether the investments in transmission facilities, distribution facilities or both, as applicable . . . are being implemented in accordance with the schedule set out in the [RIP]”.

Proposed TSC 3C3.2 then permits the lead transmitter to assign this responsibility to an LDC. The Board suggests on page 9 of its Notice of Proposal that such assignment to an LDC may be appropriate where all or most of the investments in the RIP are investments in distribution facilities. Corresponding provisions are proposed in DSC 8.4.2.

The CLD believes that LDCs should be required to comment only on aspects of a RIP that are within the LDC's control. Accordingly, the CLD recommends that the proposed enabling amendments clearly stipulate that the responsible LDC is required to report to the lead transmitter only on the distribution facilities aspect of the RIP.

Transition

Identification of Transmission Infrastructure Needs

Proposed TSC 3C4.1 requires a lead transmitter, within 10 days of the proposed amendments coming into force, to request from each transmission-connected LDC a letter identifying whether the LDC foresees a need for a material investment in transmission infrastructure to support the needs of the LDC's distribution system over the next five (5) years.

The CLD believes that it does not seem prudent for LDCs to determine specific transmission needs. If the purpose of the letter is to provide an indication of where a RIP needs to be done, then the LDC should identify capacity issues, leaving actual transmission infrastructure requirement and timing to be identified in the regional planning study process. The CLD requests that the OEB further clarify the purpose of the letter. For greater certainty, the CLD recommends that the proposed enabling amendments clearly state that LDCs are required only to identify potential transmission capacity needs and that any transmission infrastructure solution is to be determined according to the RIP process.

“Otherwise Planned” Issue

The CLD supports the Board's proposal to eliminate section 6.3.6 of the TSC to make provisions to better ensure that customers who benefit from transmission investments will bear the cost regardless of how the investment is planned. However, section 6.3.6 also requires the transmitter to plan to meet load growth and maintain the reliability and integrity of its transmission system. The CLD believes that it is important to retain these concepts in the TSC and supports the Board's proposal to add a new section 3B.1 to confirm a transmitter's obligation in this regard.

Refund Issue

The CLD supports the Board's proposal to make provision for a longer period of time over which a refund is to be made to a customer for excess capacity capital contribution. The CLD agrees that extending that period from five (5) to 15 years will be more consistent with the “beneficiary pays” principle and will remove any unintended impediment to regional planning.

Transmission Asset Redefinition

The CLD requests that the Board provide further clarification on the proposed transmission asset redefinitions. The CLD understands that if certain transmission line connection assets are redefined as network assets, their cost would come from the provincial pool. This would then increase the network charges to LDCs, regardless of whether their Network Billing Demand was actually increasing.

The CLD requests that the Board confirm that the proposed transmission asset redefinitions apply only to transmission-owned assets. If an LDC owns 115kV and 230kV equipment such as station breakers, air break switches etc., the LDC would ask the Board to have these assets deemed distribution assets, the costs of which would still be recovered through LDC rates (not the provincial pool).

Anticipated Costs and Benefits

The CLD concurs with the Board's statements on pages 18-20 of its Notice of Proposal that the new regional planning process is expected to increase administration costs for transmitters and distributors and that these costs should be seen as an investment in a more effective planning process. It is not clear to the CLD, however, that these costs will be fully offset by savings related to rate proceedings or other ongoing activities.

Conclusion

The CLD believes that the foregoing recommendations will help to streamline and render more efficient the regional infrastructure planning process and urges the Board to incorporate them into the final TSC and DSC amendments. CLD members look forward to incorporating into their distribution system planning requirements, regional infrastructure considerations as contemplated in the Regional Infrastructure Planning Process and the enabling TSC and DSC amendments.

The CLD does note, however, that due to the associated coordination and administrative implications of the proposed RIP Process full implementation of regional infrastructure planning in Ontario necessarily will occur incrementally. The CLD shares the view of the PPWG that a full cycle of the 21 planning regions contemplated in the Regional Infrastructure Planning Process may take up to four (4) years, despite the existence of regional planning activities that have been underway for some time.

As such, the CLD appreciates the Board's commitment to retain in place a form of the PPWG as a Regional Planning Standing Committee that would meet from time to time to consider the need for revisions to the regional planning process and to update the RIP Process. The CLD also looks forward to participating in any provincial "road show" that the Board may sponsor to further educate stakeholders about regional infrastructure planning.

Yours truly,

[Original signed on behalf of the group]

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