Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

Commission de l'énergie de l'Ontario
C.P. 2319
27e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone: 416- 481-1967
Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273

BY EMAIL AND WEB POSTING

August 26, 2013

NOTICE OF AMENDMENTS TO CODES

AMENDMENTS TO THE TRANSMISSION SYSTEM CODE AND THE DISTRIBUTION SYSTEM CODE

AND

NOTICE OF PROPOSAL TO AMEND A CODE

SUPPLEMENTARY PROPOSED AMENDMENT TO THE TRANSMISSION SYSTEM CODE

BOARD FILE NO.: EB-2011-0043

To: All Licensed Electricity Distributors
All Licensed Electricity Transmitters
All Participants in Consultation Process EB-2011-0043
All Other Interested Parties

The Ontario Energy Board (the "Board") has today issued amendments to the Transmission System Code ("TSC") and the Distribution System Code ("DSC") pursuant to section 70.2 of the *Ontario Energy Board Act, 1998* (the "Act"), as described in section B.

The Board is also giving notice of a supplementary proposed amendment to the TSC pursuant to section 70.2 of the Act, as described in section C.

A. Background

On May 17, 2013, the Board issued a Notice of Proposal to Amend a Code (the "May Notice") in which the Board proposed a number of amendments to the TSC and the DSC (the "May Proposed Amendments"). As described in the May Notice, the May Proposed Amendments are intended to implement the Board's policies set out in its October 18, 2012 Report of the Board – A Renewed Regulatory Framework for Electricity Distributors: A Performance Based Approach (the "RRFE Board Report") related to:

I. the establishment of a process in order to move to a more structured approach to regional infrastructure planning; and
II. the determination of the appropriate redefinition of certain line connection assets and modifications to the TSC cost responsibility rules to facilitate regional planning and the execution of regional infrastructure plans.

As indicated in the May Notice, the May Proposed Amendments to the TSC and the DSC relating to the process for regional planning are based on the Board's expectation that transmitters and distributors will follow the process set out in the Planning Process Working Group's ("PPWG") report to the Board (the "PPWG Report"), which was attached to the May Notice. The Board intends for the PPWG to remain in place, as the Regional Planning Standing Committee, to consider the need for revisions to the regional planning process and to update the PPWG Report from time to time as required. The Board will expect distributors and transmitters to follow the regional planning process as it may be revised from time to time.

The Board received written comments on the May Proposed Amendments from thirteen stakeholders: Hydro One Networks Inc. ("Hydro One"); Toronto Hydro-Electric System Limited ("Toronto Hydro"); Entegrus Powerlines Inc.; the Coalition of Large Distributors ("CLD"), comprised of six large electricity distributors; the Electricity Distributors Association ("EDA"); the Ontario Power Authority ("OPA"); the Association of Power Producers of Ontario ("APPrO"); Canadian Manufacturers & Exporters; the Ontario Sustainable Energy Association ("OSEA"); Northwatch; the Ontario Electricity Storage Alliance; the NOACC Coalition, comprised of the Northwestern Ontario Associated Chambers of Commerce, the Northwestern Ontario Municipal Association, the Township of Atikokan and the City of Thunder Bay; and the Power Workers' Union. The written comments are available for viewing on the Board's website at www.ontarioenergyboard.ca.

As contemplated in the May Notice, there is currently a separate proceeding under way to amend the OPA's licence to address the OPA's obligations in the regional planning process (EB-2013-0192) (the "Proposed OPA Licence Amendments").

B. Adoption of May Proposed Amendments with Revisions

The comments received from stakeholders generally supported the May Proposed Amendments, although a number of stakeholders suggested the need for certain clarifications.

The Board has considered the comments received in response to the May Notice and has determined that no material changes are required to the May Proposed Amendments. In light of the comments, however, the Board has made a number of minor revisions to the May Proposed Amendments as described below. The Board is adopting the May Proposed Amendments with those revisions (the "Final Amendments").

The Final Amendments to the TSC and the DSC, as adopted by the Board, are set out in Attachments A and B to this Notice, respectively. Attachments C and D to this Notice set out, for information purposes only, a comparison version showing the revisions made to the May Proposed Amendments as reflected in the Final Amendments.

1. Revisions to the May Proposed Amendments: Regional Planning

The following summarizes the revisions to the May Proposed Amendments that have been made by the Board.

- Definitions (TSC section 3C.1.1 and DSC section 8.1.1):

  - As proposed by Northwatch, "conservation" has been broadened to include "demand management" as one of the potential investment options in the definitions of "Integrated Regional Resource Plan" and "integrated regional resource planning process" for completeness.

  - The time periods that apply to the concepts of near-term, mid-term and long-term have been added to the same two definitions, to fill a gap identified by Hydro One.

  - A new defined term for "scoping assessment" has been added as proposed by APPrO, to reflect the fact that it is an element of the regional planning

process as set out in the PPWG Report, and the definition of "needs assessment" has been revised to clarify the nature of that assessment.

- A new defined term for "lead transmitter" has been added to the DSC, to allow the text in the remainder of the DSC amendments to be simplified.

- Regional Planning Process: Transmitters (TSC section 3C.2)

  - Section 3C.2.2 of the TSC has been revised to reflect a transmitter's obligation in relation to participating in a scoping assessment process led by the OPA, as suggested by APPrO.

  - A new section 3C.2.3 has been added to the TSC to provide additional flexibility in relation to the time within which a transmitter must provide information to the OPA in the context of an integrated regional resource planning ("IRRP") process. Three stakeholders commented on the need for additional flexibility. The OPA and the EDA focused specifically on one section of the TSC amendments (now section 3C.2.2(g)) and one section of the DSC amendments (section 8.3.2). The OPA noted that some requests for information can be complex and may require more time to address. The OPA also noted that its proposal to allow the OPA and the transmitter to agree to a longer timeline draws from the Proposed OPA Licence Amendments. Hydro One proposed that all timelines be removed from the TSC and the DSC and instead be incorporated into the PPWG Report. Hydro One noted that the industry can then adjust the timelines based on "lessons learned", without the need for further code amendments. Hydro One also identified concerns about potential "compliance" issues and the resulting potential for exemption requests.

    The Board does not believe that flexibility is either necessary or desirable in relation to all of the timelines identified in the TSC. In many instances, the timeline will apply to the provision of a document that will exist at the relevant time (e.g., final Regional Infrastructure Plan or Needs Assessment Report) or that can be based on a template and take little time to prepare (e.g., status letter where a Regional Infrastructure Plan has not yet been completed**).** However, the Board recognizes the potential for information requests that are made in the context of an IRRP process to be more complex, and is therefore making provision for the OPA and the transmitter to agree to a longer timeline in such cases. The Board expects that transmitters will make every effort to adhere to the 30-day timeline specified in section 3C.2.2(g) of the TSC, and

anticipates that extensions to that timeline will be rare. To enable the Board to monitor this situation, the Board is requiring that the transmitter notify the Board whenever the 30-day timeline is extended by mutual agreement between the transmitter and the OPA. The notice shall indicate the region in question, the reasons for being unable to meet the 30-day timeline and the extended timeline that has been agreed upon.

- Section 3C.2.2(h) has been revised to extend the timeline to 45 days, to address a minor timing issue that was identified vis-à-vis section X.2.2(e) of the Proposed OPA Licence Amendments. As originally proposed, section 3C.2.2(h) (then section 3C.2.2(g)) required a lead transmitter to provide a letter to a distributor or transmitter within 30 days of a request for such a letter. Where an IRRP process is still under way, the lead transmitter will need information from the OPA to complete its letter. However, under section X.2.2(e) of the Proposed OPA Licence Amendments, the OPA has 30 days in which to provide that information. If the information from the OPA is received on or around the 30th day, the lead transmitter will require some additional time to integrate that information into the letter requested by the distributor or transmitter. The Board has therefore extended the timeline to accommodate that circumstance.

- Regional Planning Process: Distributors (DSC section 8.3)

  - A new section 8.3.3 has been added to the DSC to provide additional flexibility in relation to the time within which a transmission-connected distributor must provide information to the OPA for regional planning purposes, along the same lines and for the same reasons as noted above in relation to new section 3C.2.3 of the TSC, including the same requirement to provide notice to the Board.

  - A new section 8.3.5 has been added to the DSC to require transmission-connected distributors who provide certain information to a lead transmitter or to the OPA to also provide that information to other transmission-connected distributors in the same region. Host distributors are also required to pass that information along to their embedded distributor(s). The Board agrees with Hydro One that it will be beneficial to ensure that all participants in a region are participating in regional planning based on the same information.

- Monitoring and Reporting: Transmitters (TSC section 3C.3)

  - Section 3C.3.2 has been revised to clarify that the annual review of the status of investments in a Regional Infrastructure Plan can only be delegated to a distributor where the investments in the Plan are limited to investments in distribution facilities. The Board agrees with the CLD that distributors should not be delegated the function of monitoring the status of transmission investments.

  - Section 3C.3.3 has been revised to clarify that, in addition to addressing the status of transmission and distribution investments, a transmitter's annual report must also include the status of investments in conservation and demand management and generation, as applicable, in circumstances where an IRRP has been completed. This revision is in keeping with the Proposed Licence Amendments, one of which requires that the OPA provide this information to transmitters.

- Transition (TSC section 3C.4 and DSC section 8.5):

  - Section 3C.4.1 of the TSC and sections 8.5.1 and 8.5.3 of the DSC have been revised to modify the nature of the information to be provided to a transmitter or host distributor, as applicable, in relation to a distributor's currently foreseen needs. Both the CLD and Hydro One expressed concern with these sections as proposed in the May Proposed Amendments. The Board recognizes that distributors may not be in a position to identify specific transmission investment needs. However, the Board believes that distributors should be in a position to identify the potential need for additional transmission capacity, and that this information is adequate to serve the intended purpose of allowing transmitters and the OPA to confirm the prioritization of regions for the purposes of the transition to regional planning for all regions. This change is consistent with the CLD's suggested revisions.

  - Consistent with new section 8.3.5 of the DSC, the Board has added a new section 8.5.2 to the DSC that requires transmission-connected distributors to share their letter regarding anticipated transmission capacity needs with other transmission-connected distributors, and that also requires host distributors to pass that information to their embedded distributor(s).

- Other

    - As proposed by the CLD, the Board has harmonized the language in the TSC and the DSC to consistently refer to timelines for the provision of information as starting to run on the date "of receipt" of a request for that information.

2. Other Stakeholder Comments on Regional Planning

Certain stakeholder comments were focused on elements of the regional planning process set out in the PPWG Report. The Board remains of the view that the process, as set out in PPWG Report, is appropriate. As noted above, it is the Board's intention that the Regional Planning Standing Committee will undertake periodic reviews of the process and make revisions to it as required on an on-going basis.

A number of comments received by the Board related to matters that the Board believes are appropriately left to be considered and developed, as and when required, through the work of the Regional Planning Standing Committee. These include: the proposal by Northwatch that decision criteria be embedded in the TSC; the suggestion by a number of stakeholders that a dispute resolution process be included in the TSC and/or the DSC to address disputes that cannot be resolved between the applicable parties; and comments regarding how regional planning consultations should unfold.

The Board does not believe that it is necessary to codify a detailed set of criteria to guide distributors in assessing their potential transmission connection capacity needs, as suggested by Toronto Hydro. The Board is of the view that distributors should be monitoring and assessing their potential transmission connection capacity needs, on an ongoing basis, to ensure their customers are receiving a reliable supply of power from the grid. Under the TSC, a distributor is required to identify to the transmitter when it requires additional available capacity on its connection asset(s). This has been occurring, without the need for any new criteria, for over a decade.

OSEA proposed that section 8.6.1 of the DSC should be expanded to capture not only load growth and system reliability and integrity, but also distributed generation. OSEA noted the same in relation to transmitters. In assessing load growth, distributors commonly develop load forecasts that take distributed generation and conservation and demand management into account. The PPWG Report also specifically notes that distributors are to provide both 'gross' and 'net' load forecasts to the lead transmitter and the OPA.[1] The Board therefore does not believe that any change to the May

[1] The PPWG Report notes "The information required by the transmitter includes … [g]ross and net load forecasts from distributors … Distributor load forecasts are to be provided on the following basis …

Proposed Amendments is required in this regard.

In its comments, Toronto Hydro raised the question of the treatment to be afforded to Regional Infrastructure Plans and Integrated Regional Resource Plans in proceedings before the Board. As stated in the RRFE Board Report, the Board does not intend to formally approve Regional Infrastructure Plans. Rather, such Plans will be filed in proceedings to demonstrate that regional issues have been appropriately considered and, where applicable, addressed in developing a utility's proposed capital expenditure budget. In addition, a Scoping Assessment Report and, where applicable, an IRRP will also be completed to ensure that any alternatives to infrastructure investments (e.g., conservation and demand management and/or generation) have been appropriately considered.[2] The Board expects that stakeholders will participate in the development of Plans through the consultation processes set out in the regional planning process as described in the PPWG Report, and the Board confirms that it does not intend for rate or leave to construct proceedings to be an opportunity for stakeholders to re-open the merits of a Regional Infrastructure Plan once it is finalized and submitted in support of a utility application. This should not be interpreted to mean that the Board will simply accept matters such as the estimated costs associated with the planned investment as set out in the Regional Infrastructure Plan. For example, where the Plan has identified that a distribution investment is the most cost effective option to meet a regional need, the Board will be informed by the Plan that such an investment is the optimal solution to meet that need. However, as in the normal course, parties will have an opportunity to test matters associated with the planned investment (e.g., proposed cost) in the Board proceeding before the distributor's proposed capital expenditure budget is approved. In such a proceeding, the Board will also review whether the planned capital investment included in the utility's application is consistent with the investment set out in the Regional Infrastructure Plan.

3. Revisions to the May Proposed Amendments: Facilitating Regional Planning and Regional Infrastructure Plan Execution

Stakeholders generally supported the Board's proposal to extend the refund period from 5 to 15 years in relation to capital contributions (TSC section 6.3.17). Hydro One suggested that the provision be clarified by referring to capital contributions that are made in respect of projects that come into service after the date of coming into force of these amendments. In the RRFE Board Report, the Board stated that amendments to the TSC to extend the refund period would apply on a go forward basis (i.e., only to

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Relevant generation and CDM program information".

[2] Once completed following the consultation process set out in the PPWG Report, Scoping Assessment Reports and Integrated Regional Resource Plans will be made publicly available on the OPA's website as contemplated in the Proposed OPA Licence Amendments.

initial customers that make a capital contribution after the amendment comes into force). The Board remains of the view that is the appropriate approach, and that the extended refund period should apply only in relation to capital contributions that are made after the date of coming into force of these amendments, irrespective of when the project comes into service.

APPrO proposed that generators be entitled to a refund in the event that a connection facility that is funded by a capital contribution is subsequently repurposed to also serve load. The Board notes that, by its terms, section 6.3.17 of the TSC avails to the benefit of a customer, which already includes a generator customer other than in relation to an enabler facility. The Board has, however, clarified that the refund provision applies to a capital contribution made in relation to the modification of a transmitter-owned connection facility as well as to the construction of such a facility.

The Board agrees with Hydro One that 345 kV interconnection autotransformers are 345/230KV and not 345/115 KV, and has revised section 2.0.45A of the TSC accordingly. The Board has also provided greater clarity in relation to that section by replacing the reference to “previous Decision” with a reference to a Decision, Order or Decision and Order issued before the date of coming into force of these amendments.

Hydro One suggested that greater clarity can be achieved in section 3.0.15 of the TSC by referring to the date on which a facility comes into service, as opposed to the date on which a facility commences to be constructed. This would be inconsistent with the view expressed by the Board in the RRFE Board Report that amendments to the TSC related to asset redefinition are intended to apply only on a going-forward basis. The Board therefore remains of the view that the commencement of construction of a project is the appropriate point in time for purposes of the application of section 3.0.15 of the TSC.

Northwatch identified four new provisions for consideration by the Board if appropriate in relation to the treatment of certain costs: (i) that costs associated with FIT generators should be pooled and paid province-wide rather than being paid by individual distributors; (ii) that costs incurred within a region because of the existence of exports should be passed through to the recipients of the power; (iii) that load customers should not be entitled to a refund in circumstances where the asset in question becomes stranded; and (iv) that a transmitter be required to compensate a distributor for capital costs incurred in relation to a regional project that reduces the transmitter’s line losses. With respect to item (i), the Board is of the view that the issue is already appropriately addressed in the DSC and Ontario Regulation 330/09 (Cost Recovery re Section 79.1 of the Act). Item (ii) is, in the Board’s view, a matter that is appropriately addressed (if required) in rates proceedings. The Board also notes that the treatment of exports is

the subject of ongoing studies being undertaken by the Independent Electricity System Operator ("IESO") in relation to transmission rates proceedings. In relation to item (iii), the Board notes that there would already be no refund, where an asset becomes stranded, as there would not be a connected customer to which a refund could be provided. The Board does not believe that item (iv) needs to be addressed through code amendments at this time.

No stakeholder objected to the elimination of section 6.3.6 from the TSC (the "otherwise planned" provision). However, Hydro One did suggest the need for an alternative provision, which is discussed in section C below.

4. Anticipated Costs and Benefits

The anticipated costs and benefits of the May Proposed Amendments were set out in the May Notice, and interested parties should refer to that Notice for further information in that regard. The Board believes that the revisions made to the May Proposed Amendments as described above will provide greater clarity for all concerned, and will not result in material incremental costs to distributors, transmitters or ratepayers.

5. Coming Into Force

As contemplated in the May Notice, the Final Amendments to the TSC and the DSC set out in Attachments A and B, respectively, come into force today, being the date on which they are posted on the Board's website after having been made by the Board.

C. Supplementary Proposed Amendment to the TSC

1. Proposal to Add a New Section to the TSC

As noted above, although there was support for the elimination of section 6.3.6 from the TSC, Hydro One suggested that it is important to preserve the concept of fairness in assigning cost responsibility where a new or modified connection facility is intended to provide benefits to the overall transmission system as well as to a particular connecting customer. Hydro One expressed concern about the fairness of the Board's approach to cost responsibility, as set out in the May Proposed Amendments, and recommended that the Board accept the notion that connecting customers should not be held responsible for the costs of facilities that are primarily required to address system needs. Hydro One suggested that this could be addressed by amending section 6.3.8 of the TSC by including the following: "A transmitter shall not require a customer to make a capital contribution in relation to a new or modified connection facility for any

costs associated with meeting the general reliability and integrity needs of the transmission system." In Hydro One's view, the elimination of section 6.3.6 of the TSC without an alternative mitigating provision of this nature may lead to imprudent investments from a regional perspective, as distributors may be motivated to pursue "cheaper" local options (e.g., a sub-optimal distribution alternative) in order to avoid subsidizing transmission investments that address common needs.

Hydro One suggested two possible approaches to cost responsibility in such cases, both of which it stated could be accommodated by its proposed amendment to section 6.3.8. In one case, cost responsibility for the entire investment would be assigned to the network pool (i.e., all ratepayers) based on an independent assessment by, and input from, the OPA and/or the IESO. Alternatively, cost responsibility could be determined based on the proportional benefit between the connecting customer and the overall system, although Hydro One noted that this may be difficult to accomplish with precision in practice.

The Board sees merit in addressing the issue raised by Hydro One. The Board is of the view that the first approach proposed by Hydro One, where all of the costs would be borne by the network pool, would not be appropriate. As noted above, Hydro One's rationale for its proposed amendment is that the triggering customer(s) would unfairly bear the costs associated with any system benefits. Under Hydro One's first approach, however, unfairness would also exist; that is, it would rest with ratepayers who would bear all of the costs even though the triggering customer(s) would receive a benefit. The Board therefore believes that apportionment of the costs would be more appropriate. An approach based on apportionment is more consistent with the RRFE Board Report, where the Board identified a shift in emphasis to the "beneficiary pays" principle.[3] It is also consistent with Hydro One's suggestion that it is important to preserve the concept of fairness in assigning cost responsibility.

The Board believes that the issue identified by Hydro One is most likely manifested in one scenario in particular; namely, where the construction of and/or modification to one or more transmitter-owned connection facilities is a more cost effective means of meeting the needs of one or more load customers than the construction or modification of the transmitter's network facilities. Under such a scenario, it is expected that the construction or modification of network facilities can only be avoided by the construction of and/or modification to transmitter-owned connection facilities that exceed the capacity needs of the triggering load customer(s). In such a case, it is appropriate that the load

[3] The RRFE Board Report stated "The Board concludes that a reconsideration of the TSC cost responsibility rules is desirable to facilitate the implementation of regional infrastructure planning and the execution of regional infrastructure plans. The Board believes that a shift in emphasis away from the 'trigger' pays principle to the 'beneficiary' pays principle is appropriate in that regard."

customer(s) whose needs trigger the project should only bear the cost to the extent that they benefit from the construction of and/or modification to the transmitter-owned connection facilities. Any incremental costs should be attributed to the transmitter and recovered from the network pool, as the costs associated with the avoided construction of or modification to the transmitter's network facilities would have been recovered from the network pool.

The Board is therefore proposing to amend the TSC to add new sections 6.3.8A, 6.3.8B and 6.3.8C to address this particular circumstance, which the Board expects will only arise on an exceptional basis. Where it does arise, as independently confirmed based on an assessment by the IESO, it is proposed that the transmitter be required to apportion the cost of the transmitter-owned connection facilities based on the non-coincident incremental peak load requirements of the triggering load customer(s), and to apply to the Board for approval of that apportionment. The Board believes that apportionment based on non-coincident incremental peak load should achieve an adequate level of precision in terms of the respective benefits. The load customer(s) whose needs trigger the project should neither be better off nor worse off by reason of a decision to implement a solution that results in investments that exceed the triggering customer(s) capacity needs but is more cost effective than an investment in network facilities. The Board also notes that this proposed approach is akin to the approach set out in section 6.3.5 of the TSC, under which a transmitter may in exceptional circumstances apply to the Board for permission to obtain a capital contribution from a customer in relation to the construction of or modifications to network facilities.

The Board recognizes that the more cost effective solution confirmed by the IESO may involve the modification of a transmitter-owned connection facility that serves one or more customer(s) other than the triggering load customer(s). This may occur where the transmitter modifies or constructs connection facilities to shift load from the triggering customer's connection facility to another connection facility with excess capacity. The non-triggering customer(s), who have no need for additional capacity, should not bear the cost of that modification or construction, and the Board is therefore proposing to include a new section 6.3.8C in the TSC to that effect.

The text of the proposed new sections 6.3.8A, 6.3.8B and 6.3.8C of the TSC is set out in Attachment E to this Notice. The Board remains of the view that section 6.3.6 should be eliminated from the TSC irrespective of the outcome of the consultation on the proposed new sections. The Board has therefore not considered it necessary to defer the elimination of section 6.3.6 (or any other of the Final Amendments relating to cost responsibility or other matters) pending the outcome of that consultation.

2. Anticipated Costs and Benefits

The Board believes that the proposed new sections 6.3.8A, 6.3.8B and 6.3.8C of the TSC will result in benefits that exceed any additional costs.

The Board expects that the approach embodied in those new sections will support more optimal and cost effective infrastructure investments. The approach is also more consistent with the beneficiary pays principle, and will therefore result in a more appropriate allocation and recovery of costs.

3. Coming Into Force

The Board proposes that the proposed new sections 6.3.8A, 6.3.8B and 6.3.8C of the TSC set out in Attachment E come into force on the date that the sections are published on the Board's website after having been made by the Board.

4. Invitation to Comment

All interested parties are invited to submit written comments on the proposed new sections 6.3.8A, 6.3.8B and 6.3.8C of the TSC, as set out in Attachment E, by **September 9, 2013.** Written comments must be provided in accordance with the filing instructions set out in the May Notice.

5. Cost Awards

As stated in the May Notice, cost awards will be available under section 30 of the Act in relation to this consultation and will be recovered as set out in the May Notice. For the purposes of the provision of comments on the proposed new sections 6.3.8A, 6.3.8B and 6.3.8C, cost awards will be available to eligible participants to a **maximum of 5 hours.**

This Notice, including the Final Amendments to the TSC and the DSC set out in Attachments A and B, respectively, and the proposed new sections of the TSC set out in Attachment E, will be available for public inspection on the Board's website at www.ontarioenergyboard.ca and at the office of the Board during normal business hours.

Any questions relating to the Final Amendments to the TSC or the DSC set out in Attachments A and B should be directed to the Market Operations Hotline at market.operations@ontarioenergyboard.ca or 416-440-7604. Any questions relating to

the proposed new sections 6.3.8A, 6.3.8B and 6.3.8C of the TSC set out in Attachment E should be directed to Chris Cincar at Chris.Cincar@ontarioenergyboard.ca or at 416-440-7696. The Board's toll free number is 1-888-632-6273.

DATED at Toronto, August 26, 2013

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Attachments:

Attachment A:	Final Amendments to the Transmission System Code
Attachment B:	Final Amendments to the Distribution System Code
Attachment C:	Comparison version showing revisions to the May Proposed Amendments as reflected in the Final Amendments to the Transmission System Code (for information purposes only)
Attachment D:	Comparison version showing revisions to the May Proposed Amendments as reflected in the Final Amendments to the Distribution System Code (for information purposes only)
Attachment E:	Proposed New Sections 6.3.8A, 6.3.8B and 6.3.8C of the Transmission System Code

Attachment A
to
Notice of Amendments to Codes and Notice of Proposal to Amend a Code

August 26, 2013

EB-2011-0043

Final Amendments to the Transmission System Code

I. Regional Planning Process

1. Section 3 of the Transmission System Code is amended by adding new section 3C immediately after section 3B as follows:

3C. Regional Planning

3C.1 Definitions and Lead Responsibility Where More than One Transmitter in a Region

3C.1.1 For the purposes of this section 3C:

"Integrated Regional Resource Plan" means a document prepared by the OPA that identifies the appropriate mix of investments in one or more of conservation and demand management, generation, transmission facilities or distribution facilities in order to address the electricity needs of a region in the near- (up to 5 years), mid- (5 to 10 years), and long-term (more than 10 and up to 20 years);

"integrated regional resource planning process" means a planning process led by the OPA for the purpose of determining the appropriate mix of investments in one or more of conservation and demand management, generation, transmission facilities or distribution facilities in order to address the electricity needs of a region in the near- (up to 5 years), mid- (5 to 10 years), and long-term (more than 10 and up to 20 years);

"needs assessment" means a process led by a transmitter to determine if

regional planning is required for a region;

“region”, in respect of a transmitter, means an area within which the transmitter’s transmission system is located, in whole or in part, and that has been designated as such by the transmitter, in consultation with the OPA, under section 3C.2.2(a) for regional planning purposes;

“Regional Infrastructure Plan” means a document prepared by the transmitter leading a regional infrastructure planning process that identifies investments in transmission facilities, distribution facilities or both that should be developed and implemented on a coordinated basis to meet the electricity infrastructure needs within a region;

“regional infrastructure planning process” means a planning process led by a transmitter in accordance with this section 3C for the purpose of determining the investments in transmission facilities, distribution facilities or both that should be developed and implemented on a coordinated basis to meet the electricity infrastructure needs within a region;

“regional planning” means a planning process involving licensed transmitter(s), licensed distributor(s), and the OPA for the purpose of determining whether a Regional Infrastructure Plan and/or an Integrated Regional Resource Plan is required for a region and, where required, developing or updating a Regional Infrastructure Plan and/or an Integrated Regional Resource Plan; and

“scoping assessment” means a process led by the OPA to determine the form of regional planning process (regional infrastructure planning process or integrated regional resource planning process) that is required for a region.

3C.1.2 For the purposes of this section 3C, where the transmission system of more than one licensed transmitter is connected to customers in a region, the applicable transmitters shall determine which among them will be responsible for leading the regional infrastructure planning processes for the region at any given time. The applicable transmitters shall make that determination within 30 days of August 26, 2013, and may agree to change that determination from time to time thereafter. The transmitter that has been so designated at any given time shall be responsible for

complying with the obligations set out in this section 3C. The other transmitter(s) shall participate in any regional infrastructure planning process or integrated regional resource planning process for the region as reasonably required by the lead transmitter or the OPA, as applicable, but shall not otherwise be required to comply with the obligations set out in this section 3C.

3C.2 Obligation to Lead Regional Infrastructure Planning Process

3C.2.1 A transmitter shall, in consultation with the OPA and with all applicable licensed distributors and licensed transmitters in a region, lead a regional infrastructure planning process for each region and participate in any integrated regional resource planning process for the region.

3C.2.2 For the purposes of section 3C.2.1, a transmitter shall:

(a) review the boundaries of the regions, in consultation with the OPA, no less than once every five years to determine whether they need to be modified;

(b) from time to time as required, and on a timely basis, request information from all licensed distributors and licensed transmitters in a region and from the OPA that the transmitter considers is reasonably required for the purpose of undertaking a needs assessment in relation to the region;

(c) for each region, conduct a needs assessment at least every five years, and more frequently if required by reason of forecasted load or demand growth within a distributor's licensed service area, request(s) for connection received by the transmitter or other events that the transmitter believes may trigger the need for investment in transmission facilities, distribution facilities or both in a region. The needs assessment for a region shall be completed within 60 days of receipt of the information referred to in section 3C.2.2(b);

(d) within 10 days of completion of a needs assessment for a region, provide a report to the OPA, the IESO, and all licensed distributors and

licensed transmitters within the region that reflects the results of the needs assessment, including the identity of the licensed distributors that will and will not need to be involved in further regional planning activities for the region, and post that report on its website;

(e) where a needs assessment for a region indicates that a scoping assessment is required, participate in the scoping assessment as may be reasonably required by the OPA;

(f) where a scoping assessment identifies that a regional infrastructure planning process is required for a region, complete or update a Regional Infrastructure Plan for the region within six months of the date of receipt of the scoping assessment from the OPA, and post the Regional Infrastructure Plan on its website upon its completion;

(g) where a scoping assessment identifies that an integrated regional resource planning process is required for a region, (i) participate in the integrated regional resource planning process as may be reasonably required by the OPA, and (ii) subject to section 3C.2.3, provide the OPA with such information as the OPA may from time to time reasonably require for the purposes of the integrated regional resource planning process within 30 days of receipt of a request by the OPA for the information; and

(h) within 45 days of receipt of a request to do so, provide a letter to a licensed distributor or a licensed transmitter confirming the status of regional planning for a region, including any Regional Infrastructure Plan that is being developed for the region that includes the distributor's licensed service area or within which the requesting transmitter's transmission system is located, suitable for the purpose of supporting an application proposed to be filed with the Board by the distributor or requesting transmitter.

3C.2.3 Where a transmitter believes that it cannot meet the 30-day timeline referred to in part (ii) of section 3C.2.2(g), the transmitter and the OPA may agree to a longer timeline. In such a case, the transmitter shall so notify the Board in writing. The notice shall indicate the region in question,

the reasons for being unable to meet the 30-day timeline and the extended timeline that has been agreed to between the transmitter and the OPA.

3C.3 Monitoring and Reporting

3C.3.1 Subject to section 3C.3.2, a transmitter shall, in consultation with the OPA and with all applicable licensed distributors and licensed transmitters in a region for which a Regional Infrastructure Plan has been completed, undertake a review every 12 months following the completion of the Regional Infrastructure Plan for the purpose of determining:

(a) whether the investments in transmission facilities, distribution facilities or both, as applicable, identified in the Regional Infrastructure Plan are being implemented in accordance with the schedule set out in the Plan; and
(b) whether the Regional Infrastructure Plan needs to be updated in advance of the next scheduled needs assessment for the region.

3C.3.2 Where a Regional Infrastructure Plan for a region includes only investments in distribution facilities, a transmitter may make arrangements for a licensed distributor in the region to conduct the review referred to in section 3C.3.1(a) rather than conducting the review itself. In such a case, the transmitter shall request a report from the distributor setting out the status of the investments set out in the Regional Infrastructure Plan at least 60 days in advance of the filing of the annual status report referred to in section 3C.3.3.

3C.3.3 A transmitter shall submit an annual report to the Board, on November 1st of each year, that identifies the status of regional planning for all regions, and shall post the report on its website. The report shall include the status of investments in conservation and demand management, generation or both for each region for which an Integrated Regional Resource Plan has been completed, provided that this information has been provided to the transmitter by the OPA no later than October 1st of the year.

3C.4 Transition

3C.4.1 A transmitter shall, within 10 days of August 26, 2013, request from each licensed distributor whose distribution system is connected to its transmission system a letter identifying whether the distributor foresees a potential need for additional transmission connection capacity to support the needs of the distributor's distribution system and of the distribution system of any of that distributor's embedded licensed distributors over the next five years.

3C.4.2 A transmitter shall, within 90 days of August 26, 2013, complete a review of all regions to prioritize them based on the anticipated timing of the need for investment in transmission facilities, distribution facilities or both. Every 12 months following August 26, 2013, the transmitter shall review the prioritization of regions and revise it as required to reflect emerging needs in the regions. The transmitter shall maintain a priority list, post it on its website and update it as required to reflect any changes in prioritization.

3C.4.3 A transmitter shall, within 10 days of completing a review referred to in section 3C.4.2:

(a) notify the licensed distributors and licensed transmitters within a region regarding whether they need to be involved in regional planning for the region; and
(b) provide a report to the OPA identifying whether regional planning is required for each region and, where it is required, the identity of the licensed distributors and licensed transmitters in the region that need to be involved in regional planning for the region.

3C.4.4 A transmitter shall undertake a needs assessments for each region in accordance with the priority list referred to in section 3C.4.2. Within four years of August 26, 2013, the transmitter shall complete a needs assessment for all regions, and complete a Regional Infrastructure Plan for each region where one is required.

II. Facilitating Regional Planning and Regional Infrastructure Plan Execution

1. Otherwise Planned and Refund Issue

1. Section 3 of the Transmission System Code is amended by adding new section 3B immediately after section 3A as follows:

3B. Reliability and Integrity of Transmission System

3B.1 A transmitter shall, in accordance with the Act, its licence and this Code, maintain the reliability and integrity of its transmission system and reinforce or expand its transmission system as required to meet load growth.

2. Section 6.1.4(i) of the Transmission System Code is amended by deleting the phrase “plans required by section 6.3.6 that cover” and replacing it with the phrase “Regional Infrastructure Plan or the Integrated Regional Resource Plan referred to in section 3C, if any, that covers”, such that the section reads as follows:

6.1.4 A transmitter’s connection procedures referred to in section 6.1.3 shall include the following:
…

(i) an obligation on the transmitter to provide a customer with the most recent version of the Regional Infrastructure Plan or the Integrated Regional Resource Plan referred to in section 3C, if any, that covers the applicable portion of the transmitter’s transmission system.

3. Section 6.2.3 of the Transmission System Code is amended by replacing the phrase “section 6.2.24, 6.3.9 or 6.3.17” with the phrase “section 6.3.9 or 6.3.17A”, such that the section reads as follows:

6.2.3 Where an economic evaluation, including an economic evaluation referred

to in section 6.3.9 or 6.3.17A, was conducted by a transmitter for a load customer in relation to a connection facility on the basis of a load forecast, that customer's contracted capacity shall, during the economic evaluation period to which the economic evaluation relates, be equal to the load identified in that load forecast or in any subsequent forecast used for purposes of giving effect to the true-up provisions of section 6.5.

4. The Transmission System Code is amended by deleting sections 6.2.24, 6.2.25 and 6.3.6.

5. Section 6.3.17 of the Transmission System Code is deleted and replaced with the following:

   6.3.17 Where a customer has made a capital contribution for the construction or modification of a transmitter-owned connection facility other than an enabler facility, and where that capital contribution includes the cost of capacity on the connection facility in excess of the customer's needs, the transmitter shall provide a refund, calculated in accordance with section 6.3.17A, to the customer as follows:

   a) where the customer made the capital contribution before August 26, 2013, the refund shall be provided if that excess capacity is assigned to another customer within five years of the date on which the connection facility or modification to the connection facility comes into service; or

   b) where the customer makes the capital contribution on or after August 26, 2013, the refund shall be provided if that excess capacity is assigned to another customer within fifteen years after the date on which the connection facility or modification to the connection facility comes into service.

   Where such a refund is required, the transmitter shall require a financial contribution from the subsequent customer to cover the amount of that refund.

6. The Transmission System Code is amended by adding new section 6.3.17A immediately after section 6.3.17 as follows:

6.3.17A For the purposes of section 6.3.17, the transmitter shall determine the amount of the refund to the initial customer and of the financial contribution from the subsequent customer by calculating a revised capital contribution amount using the prescribed economic evaluation methodology set out in section 6.5 and the same inputs as used in the original economic evaluation except for load, which will be based on the actual load of the initial customer up to the time of connection of the subsequent customer and a revised load forecast for the remainder of the economic evaluation period. The revised load forecast will include an updated load forecast of the initial customer plus the load forecast of the subsequent customer. The transmitter will then use the methodology set out in section 6.3.14, 6.3.15 or 6.3.16 to allocate the revised capital contribution amount to the initial and subsequent customers. The refund to the initial customer shall be determined by subtracting the initial customer's allocated share of the revised capital contribution amount from the original capital contribution amount paid by the initial customer.

7. Section 6.7.8 of the Transmission System Code is amended by replacing the phrase "section 6.2.24, 6.3.9 or 6.3.17" with the phrase "section 6.3.9 or 6.3.17A", such that the section reads as follows:

   6.7.8 Where an economic evaluation, including an economic evaluation referred to in section 6.3.9 or 6.3.17A, was conducted by a transmitter for a load customer in relation to a connection facility on the basis of a load forecast, a transmitter shall not, during the economic evaluation period to which the economic evaluation relates, require bypass compensation from a customer under section 6.7.6 in relation to any load that represents that customer's contracted capacity.

8. Section 6.9.1 of the Transmission System Code is amended by replacing the phrase "sections 6.2.24, 6.3.9 and 6.3.17" with the phrase "sections 6.3.9 and 6.3.17A", such that the section reads as follows:

   6.9.1 A transmitter shall maintain complete and accurate records of all economic evaluations required to be carried out under this Code, including the economic evaluations referred to in sections 6.3.9 and 6.3.17A. Each record must show the details of the economic evaluation, including the determination of the risk classification and the resulting economic evaluation period, the load

forecast, the project capital costs, the ongoing operation and maintenance costs, and the project after tax incremental cost of capital, and must include the justification for all of the study parameters.

2. The Transmission Asset Definition Issue

1. Section 2.0.13 of the Transmission System Code is amended by adding the phrase “but excludes any line referred to in section 3.0.14(a) and any station referred to in section 3.0.14(b)” to the end of that section, such that the section reads as follows:

   2.0.13 "connection facilities" means line connection facilities and transformation connection facilities that connect a transmitter’s transmission system with the facilities of another person, and includes an enabler facility but excludes any line referred to in section 3.0.14(a) and any station referred to in section 3.0.14(b);

2. Section 2.0.45 of the Transmission System Code is amended by adding the phrase “and has the extended meaning given to it in section 3.0.14” to the end of that section, such that the section reads as follows:

   2.0.45 "network facilities" means those facilities, other than connection facilities, that form part of a transmission system that are shared by all users, comprised of network stations and the transmission lines connecting them, and has the extended meaning given to it in section 3.0.14;

3. Section 2 of the Transmission System Code is amended by adding new section 2.0.45A immediately after section 2.0.45 as follows:

   2.0.45A “network station” means:

   (a) any station with one or more of the following:

i. a 500 kV element, including a 500/230 kV or a 500/115 kV autotransformer;
ii. a 230 kV or 115 kV element that switches lines that normally operate in parallel with lines that connect transmission stations containing 500 kV elements;
iii. a 345 kV, 230 kV or 115 kV element that switches a 345 kV, 230 kV or 115 kV line that connects with the transmission system of a neighbouring Ontario transmitter or with a transmission system outside Ontario, including a 345/230 kV autotransformer; or
iv. a 345 kV, 230 kV or 115 kV element that switches a 345 kV, 230 kV or 115 kV line that connects interconnection circuits to any network station referred to in any of (i) to (iii) above; and

(b) any station that the Board has determined should be treated as a network facility in or through a Decision, Order or Decision and Order issued before August 26, 2013, and has the extended meaning given to it in section 3.0.14;

4. Section 3 of the Transmission System Code is amended by adding new sections 3.0.14 and 3.0.15 immediately after section 3.0.13 as follows:

3.0.14 Subject to section 3.0.15:

(a) a “network facility” includes any line that forms part of the physical path between:

i. two network stations; or
ii. a network station and the transmission system of a neighbouring Ontario transmitter or a transmission system outside Ontario,

such that electricity can be transmitted along the entire path under some

operating conditions, which may or may not reflect normal operating conditions; and

(b) a “network station” includes any station with one or more of the following:

i. an element that is greater than 500 kV;
ii. an autotransformer that steps down voltage from a higher transmission level to a lower transmission level;
iii. a transmission switchyard to which all of the following are connected:

(A) one or more generation facilities with a minimum aggregate installed rated capacity of 250 MW;
(B) one or more load facilities with a minimum aggregate load of 150 MW; and
(C) a minimum of four transmission circuits.

3.0.15 Section 3.0.14 only applies where the line referred to in section 3.0.14(a) or the station referred to in section 3.0.14(b):

(a) commences to be constructed on or after August 26, 2013; or
(b) is expanded or reinforced for the purposes of increasing its capacity, and the expansion or reinforcement (or the expanded or reinforced line or station) commences to be constructed on or after August 26, 2013, regardless of when the line or station was originally placed into service.

Appendix B
to
Notice of Amendments to Codes and Notice of Proposal to Amend a Code

August 26, 2013

EB-2011-0043

Final Amendments to the Distribution System Code

The Distribution System Code is amended by adding new section 8 as follows:

8. Regional Planning

8.1 Definitions

8.1.1 In this section 8:

"Integrated Regional Resource Plan" means a document prepared by the OPA that identifies the appropriate mix of investments in one or more of conservation and demand management, generation, transmission facilities or distribution facilities in order to address the electricity needs of a region in the near- (up to 5 years), mid- (5 to 10 years), and long-term (more than 10 and up to 20 years);

"integrated regional resource planning process" means a planning process led by the OPA for the purpose of determining the appropriate mix of investments in one or more of conservation and demand management, generation, transmission facilities or distribution facilities in order to address the electricity needs of a region in the near- (up to 5 years), mid- (5 to 10 years), and long-term (more than 10 and up to 20 years);

"lead transmitter" means a transmitter that is leading a regional planning process or is involved in a scoping assessment or an integrated regional resource planning process in a region;

“needs assessment” means a process led by a lead transmitter in accordance with section 3C of the Transmission System Code to determine if regional planning is required for a region;

“region” means an area that has been designated as such by a lead transmitter, in consultation with the OPA, under section 3C.2.2(a) of the Transmission System Code for regional planning purposes;

“Regional Infrastructure Plan” means a document prepared by the lead transmitter leading a regional infrastructure planning process that identifies investments in transmission facilities, distribution facilities or both that should be developed and implemented on a coordinated basis to meet the electricity infrastructure needs within a region;

“regional infrastructure planning process” means a planning process led by a lead transmitter in accordance with section 3C of the Transmission System Code for the purpose of determining the investments in transmission facilities, distribution facilities or both that should be developed and implemented on a coordinated basis to meet the electricity infrastructure needs within a region;

“regional planning” means a planning process involving licensed transmitter(s), licensed distributor(s), and the OPA for the purpose of determining whether a Regional Infrastructure Plan and/or an Integrated Regional Resource Plan is required for a region and, where required, developing or updating a Regional Infrastructure Plan and/or an Integrated Regional Resource Plan;

“scoping assessment” means a process led by the OPA to determine the form of regional planning process (regional infrastructure planning process or integrated regional resource planning process) that is required for a region; and

“transmission-connected distributor” means a distributor whose distribution system is connected to the transmission system of a licensed transmitter.

8.2 Participation in Regional Planning

8.2.1 A transmission-connected distributor shall participate in regional planning upon being requested to do so by the transmitter that is leading a regional infrastructure planning process or by the OPA that is leading a scoping assessment or an integrated regional resource planning process for the region within which the distributor’s licensed service area is located, in whole or in part, and shall do so to such extent and in such manner as may reasonably be required by the lead transmitter or the OPA.

8.2.2 An embedded distributor shall participate in regional planning upon being requested to do so by its host distributor or by the lead transmitter for the region within which the embedded distributor’s licensed service area is located, in whole or in part, and shall do so to such extent and in such manner as may reasonably be required by the host distributor or the transmitter.

8.3 Provision of and Requests for Information

8.3.1 A transmission-connected distributor shall provide the following to the lead transmitter for the region within which the distributor’s licensed service area is located, in whole or in part:

(a) such information as the lead transmitter may from time to time reasonably require to support regional planning, and shall do so within 60 days of receipt of the lead transmitter’s request; and

(b) prompt notice of any developments in that part of the region in which its licensed service area is located that may trigger the need

for investments in transmission facilities, distribution facilities or both, as applicable, or that may otherwise reasonably be expected to affect the lead transmitter's conduct of a needs assessment for the region.

Where the distributor is a host distributor, the information provided to the lead transmitter shall reflect any information provided to it by any of its embedded distributors under section 8.3.4.

8.3.2 A transmission-connected distributor shall provide the OPA with such information as the OPA may from time to time reasonably require, for the purpose of supporting regional planning, and shall subject to section 8.3.3 do so within 30 days of receipt of the OPA's request. Where the distributor is a host distributor, the information provided to the OPA shall reflect any information provided to it by any of its embedded distributors under section 8.3.4.

8.3.3 Where a transmission-connected distributor believes that it cannot meet the 30-day timeline referred to in section 8.3.2, the distributor and the OPA may agree to a longer timeline. In such a case, the distributor shall so notify the Board in writing. The notice shall indicate the region in question, the reasons for being unable to meet the 30-day timeline and the extended timeline that has been agreed to between the distributor and the OPA.

8.3.4 An embedded distributor shall provide its host distributor with the following:

(a) such information as may from time to time reasonably be required by the host distributor to support regional planning, and shall do so within 15 days of receipt of the request for information; and

(b) prompt notice of any developments in that part of the region in

which its licensed service area is located that may trigger the need for investments in transmission facilities, distribution facilities or both, as applicable, or that may otherwise reasonably be expected to affect a lead transmitter's conduct of a needs assessment for the region.

8.3.5 Where a transmission-connected distributor provides information to a lead transmitter or the OPA under section 8.3.1 or 8.3.2 in respect of a region, the distributor shall also provide the same information to all other transmission-connected distributors in the region. Each host distributor that receives information under this section shall provide that information to each of its embedded distributors.

8.3.6 Where, for the purpose of supporting an application proposed to be filed with the Board, a distributor requires information related to the status of regional planning for a region, including any Regional Infrastructure Plan that is being developed for the region, the transmission-connected distributor or embedded distributor shall request a letter confirming the status from the lead transmitter for the region no less than 60 days before the distributor requires the letter.

8.3.7 Where a needs assessment determines that the participation of a distributor in a regional planning process is not necessary, the distributor shall request a needs assessment report from the lead transmitter confirming that its involvement is not required no less than 10 days before the embedded distributor requires the report for the purpose of supporting an application proposed to be filed with the Board.

8.4 Monitoring and Reporting

8.4.1 Where a Regional Infrastructure Plan identifies the need for a distributor to

make an investment in its distribution system, the distributor shall, upon request by the lead transmitter or host distributor or by a distributor referred to in section 8.4.2, provide an update regarding the status of the investment, and shall do so within 30 days of receipt of the request. Where the distributor is a host distributor, the letter shall reflect any investment update(s) provided to it by any of its embedded distributor(s).

8.4.2 Where a distributor has agreed to conduct the review referred to in section 3C.3.1(a) of the Transmission System Code, the distributor shall provide a report to the lead transmitter setting out the status of the investments set out in the applicable Regional Infrastructure Plan within 60 days of receipt of a request from the transmitter to do so.

8. 5 Transition

8.5.1 A transmission-connected distributor shall, within 45 days of receipt of a request from a lead transmitter, provide the transmitter with a letter identifying whether the distributor foresees a potential need for additional transmission connection capacity to support the needs of the distributor's distribution system over the next five years. Where the distributor is a host distributor, the letter shall reflect any information provided to it by any of its embedded distributors under section 8.5.3.

8.5.2 Where a transmission-connected distributor provides a letter to a lead transmitter under section 8.5.1 in respect of a region, the distributor shall also provide the same information to all other transmission-connected distributors in the region. Each host distributor that receives a letter under this section shall provide that letter to each of its embedded distributors.

8.5.3 An embedded distributor shall, within 15 days of receipt of a request from its host distributor, provide its host distributor with a letter identifying

whether the embedded distributor foresees a potential need for additional transmission capacity to support the needs of the embedded distributor's distribution system over the next five years.

8.6 Continuing Obligations Re Distribution System

8.6.1 Nothing in this section 8 shall limit any obligation of the distributor to maintain the reliability and integrity of its distribution system or to meet load growth within its licensed service area.

Attachment C
to
Notice of Amendments to Codes and Notice of Proposal to Amend a Code

August 26, 2013

EB-2011-0043

Comparison Version of Final Amendments to the Transmission System Code
(for information purposes only)

Note: Additions (underlined) and deletions (stricken through) indicate changes to the amendments relative to the amendments as they were proposed on May 17, 2013. Titles numbered with roman numerals or in italics are included for convenience of reference only.

I. Regional Planning Process

1. Section 3 of the Transmission System Code is amended by adding new section 3C immediately after section 3B as follows:

3C. Regional Planning

3C.1 Definitions and Lead Responsibility Where More than One Transmitter in a Region

3C.1.1 For the purposes of this section 3C:

"Integrated Regional Resource Plan" means a document prepared by the OPA that identifies the appropriate mix of investments in one or more of conservation and demand management, generation, transmission facilities or distribution facilities in order to address the electricity needs of a region in the near- (up to 5 years), mid- (5 to 10 years), and long-term (more than 10 and up to 20 years);

"integrated regional resource planning process" means a planning process led by the OPA ~~-~~for the purpose of determining the appropriate mix of investments in one or more of conservation and demand management, generation, transmission facilities or distribution facilities in order to address the electricity needs of a region in the near- (up to 5 years), mid- (5 to 10 years), and long-term (more than 10 and up to 20 years);

"needs assessment" means a process led by a transmitter to determine if regional planning ~~a Regional Infrastructure Plan or an Integrated Regional Resource Plan~~ is required ~~or needs to be updated~~ for a region;

"region", in respect of a transmitter, means an area ~~that is~~ within which the transmitter's transmission system is located, in whole or in part, and that has been designated as such by the transmitter, in consultation with the OPA, under section 3C.2.2(a) for regional planning purposes;

"Regional Infrastructure Plan" means a document prepared by the transmitter leading a regional infrastructure planning process that identifies investments in transmission facilities, distribution facilities or both that should be developed and implemented on a coordinated basis to meet the electricity infrastructure needs within a region;

"regional infrastructure planning process" means a planning process led by a transmitter in accordance with this section 3C for the purpose of determining the investments in transmission facilities, distribution facilities or both that should be developed and implemented on a coordinated basis to meet the electricity infrastructure needs within a region; ~~and~~

"regional planning" means a planning process involving licensed transmitter(s), licensed distributor(s), and the OPA for the purpose of determining whether a Regional Infrastructure Plan and/or an Integrated Regional Resource Plan is required for a region and, where required, developing or updating a Regional Infrastructure Plan and/or an Integrated Regional Resource Plan~~.~~; and

"scoping assessment" means a process led by the OPA to determine the form of regional planning process (regional infrastructure planning process or integrated regional resource planning process) that is required for a region.

3C.1.2 For the purposes of this section 3C, where the transmission system of more than one licensed transmitter is connected to customers in a region, the applicable transmitters shall determine which among them will be responsible for leading the regional infrastructure planning processes for the region at any given time. The applicable transmitters shall make that

determination within 30 days of ~~[~~August 26, 2013~~insert date of coming into force of the amendments]~~, and may agree to change that determination from time to time thereafter. The transmitter that has been so designated at any given time shall be responsible for complying with the obligations set out in this section 3C. The other transmitter(s) shall participate in any regional infrastructure planning process or integrated regional resource planning process for the region as reasonably required by the lead transmitter or the OPA, as applicable, but shall not otherwise be required to comply with the obligations set out in this section 3C.

3C.2 Obligation to Lead Regional Infrastructure Planning Process

3C.2.1 A transmitter shall, in consultation with the OPA and with all applicable licensed distributors and licensed transmitters in a region, lead a regional infrastructure planning process for each region and participate in any integrated regional resource planning process for the region.

3C.2.2 For the purposes of section 3C.2.1, a transmitter shall:

(a) review the boundaries of the regions, in consultation with the OPA, no less than once every five years to determine whether they need to be modified;

(b) from time to time as required, and on a timely basis, request information from all licensed distributors and licensed transmitters in a region and from the OPA that the transmitter considers is reasonably required for the purpose of undertaking a needs assessment in relation to the region;

(c) for each region, conduct a needs assessment at least every five years, and more frequently if required by reason of forecasted load or demand growth within a distributor's licensed service area, request(s) for connection received by the transmitter or other events that the transmitter believes may trigger the need for investment in transmission facilities, distribution facilities or both in a region. The needs assessment~~,~~ for a region~~,~~ shall be completed within 60 days of receipt of the information referred to in section 3C.2.2(b);

(d) within 10 days of completion of a needs assessment for a region, provide a report to the OPA, the IESO, and all licensed distributors and licensed transmitters within the region that reflects the results of the needs assessment, including the identity of the licensed distributors that will and will not need to be involved in further regional planning activities for the region, and post that report ~~. The lead transmitter shall also post the needs assessment report~~ on its website ~~upon its completion~~;

~~(d)~~(e) where a needs assessment for a region indicates that a scoping assessment is required, participate in the scoping assessment as may be reasonably required by the OPA;

~~(e)~~(f) where a scoping ~~needs~~ assessment identifies that a regional infrastructure planning process is required for a region, ~~Regional Infrastructure Plan may be required (where one is not yet in place) or may need to be updated (where one is already in place) for a region and the OPA confirms that the electricity needs of the region should be met, in whole or in part, by investments in transmission facilities, distribution facilities or both that are developed and implemented on a coordinated basis,~~ complete or update a Regional Infrastructure Plan for the region~~,~~ within six months of the date of receipt of the scoping assessment ~~such confirmation~~ from the OPA, and post the Regional Infrastructure Plan on its website upon its completion;

~~(f)~~(g) where a scoping assessment identifies ~~the OPA determines~~ that an integrated regional resource planning process is required for a region, (i) participate in the integrated regional resource planning process as may be reasonably required by the OPA, and (ii) subject to section 3C.2.3, provide the OPA with such information as the OPA may from time to time reasonably require for the purposes of the integrated regional resource planning process within 30 days of receipt of a request by the OPA for the information; and

~~(g)~~(h) within ~~30~~ 45 days of receipt of a request ~~being requested~~ to do so, provide a letter to a licensed distributor or a licensed transmitter

confirming the status of regional planning for a region, including any Regional Infrastructure Plan that is being developed for the region that includes the distributor's licensed service area or within which the requesting transmitter's transmission system is located, suitable for the purpose of supporting an application proposed to be filed with the Board by the distributor or requesting transmitter.

3C.2.3 Where a transmitter believes that it cannot meet the 30-day timeline referred to in part (ii) of section 3C.2.2(g), the transmitter and the OPA may agree to a longer timeline. In such a case, the transmitter shall so notify the Board in writing. The notice shall indicate the region in question, the reasons for being unable to meet the 30-day timeline and the extended timeline that has been agreed to between the transmitter and the OPA.

3C.3 Monitoring and Reporting

3C.3.1 Subject to section 3C.3.2, a transmitter shall, in consultation with the OPA and with all applicable licensed distributors and licensed transmitters in a region for which a Regional Infrastructure Plan has been completed, undertake a review every 12 months following the completion of the Regional Infrastructure Plan for the purpose of determining:

(a) whether the investments in transmission facilities, distribution facilities or both, as applicable, identified in the Regional Infrastructure Plan are being implemented in accordance with the schedule set out in the Plan; and
(b) whether the Regional Infrastructure Plan needs to be updated in advance of the next scheduled needs assessment for the region.

3C.3.2 Where a Regional Infrastructure Plan ~~F~~for a ~~given~~ region includes only investments in distribution facilities, a transmitter may make arrangements for a licensed distributor in the region to conduct the review referred to in section 3C.3.1(a) rather than conducting the review itself. In such a case, the transmitter shall request a report from the distributor setting out the status of the investments ~~in transmission facilities, distribution facilities or both, as applicable,~~ set out in the Regional Infrastructure Plan at least 60

days in advance of the filing of the annual status report referred to in section 3C.3.3.

3C.3.3 A transmitter shall submit an annual report to the Board, on November 1st of each year, that identifies the status of regional planning for all regions, ~~within its transmission system,~~ and shall post the report on its website. The report shall include the status of investments in conservation and demand management, generation or both for each region for which an Integrated Regional Resource Plan has been completed, provided that this information has been provided to the transmitter by the OPA no later than October 1st of the year.

3C.4 Transition

3C.4.1 A transmitter shall, within 10 days of ~~[~~August 26, 2013~~*insert date of coming into force of amendments]*~~, request from each licensed distributor whose distribution system is connected to its transmission system a letter identifying whether the distributor foresees a potential need for additional ~~a material investment in~~ transmission connection capacity ~~infrastructure~~ to support the needs of the distributor's distribution system and of the distribution system of any of that distributor's embedded licensed distributors over the next five years.

3C.4.2 A transmitter shall, within 90 days of ~~[~~August 26, 2013~~*insert date of coming into force of amendments]*~~, complete a review of all regions to prioritize them based on the anticipated timing of the need for investment in transmission facilities, distribution facilities or both. Every 12 months following ~~[~~August 26, 2013~~*insert date of coming into force of amendments]*~~, the transmitter shall review the prioritization of regions and revise it as required to reflect emerging needs in the regions. The transmitter shall maintain a priority list, post it on its website and update it as required to reflect any changes in prioritization.

3C.4.3 A transmitter shall, within 10 days of completing a review referred to in section 3C.4.2:

(a) notify the licensed distributors and licensed transmitters within a region regarding whether they need to be involved in regional planning for the region; and

(b) provide a report to the OPA identifying whether regional planning is required for each region and, where it is required, the identity of the licensed distributors and licensed transmitters in the region that need to be involved in regional planning for the region.

3C.4.4 A transmitter shall undertake a needs assessments for each region in accordance with the priority list referred to in section 3C.4.2. Within four years of ~~[~~August 26, 2013~~*insert date of coming into force of amendments]*~~, the transmitter shall complete a needs assessment for all regions, and complete a Regional Infrastructure Plan for each region where one is required.

II. Facilitating Regional Planning and Regional Infrastructure Plan Execution

1. Otherwise Planned and Refund Issue

1. Section 3 of the Transmission System Code is amended by adding new section 3B immediately after section 3A as follows:

3B. Reliability and Integrity of Transmission System

3B.1 A transmitter shall, in accordance with the Act, its licence and this Code, maintain the reliability and integrity of its transmission system and reinforce or expand its transmission system as required to meet load growth.

2. Section 6.1.4(i) of the Transmission System Code is amended by deleting the phrase “plans required by section 6.3.6 that cover” and replacing it with the phrase “Regional Infrastructure Plan or the Integrated Regional Resource Plan referred to in section 3C, if any, that covers”, such that the section reads as follows:

6.1.4 A transmitter’s connection procedures referred to in section 6.1.3 shall

include the following:

…

(ii) an obligation on the transmitter to provide a customer with the most recent version of the Regional Infrastructure Plan or the Integrated Regional Resource Plan referred to in section 3C, if any, that covers the applicable portion of the transmitter's transmission system.

3. Section 6.2.3 of the Transmission System Code is amended by replacing the phrase "section 6.2.24, 6.3.9 or 6.3.17" with the phrase "section 6.3.9 or 6.3.17A", such that the section reads as follows:

6.2.3 Where an economic evaluation, including an economic evaluation referred to in section 6.3.9 or 6.3.17A, was conducted by a transmitter for a load customer in relation to a connection facility on the basis of a load forecast, that customer's contracted capacity shall, during the economic evaluation period to which the economic evaluation relates, be equal to the load identified in that load forecast or in any subsequent forecast used for purposes of giving effect to the true-up provisions of section 6.5.

4. The Transmission System Code is amended by deleting sections 6.2.24, 6.2.25 and 6.3.6.

5. Section 6.3.17 of the Transmission System Code is deleted and replaced with the following~~amended as follows~~:

6.3.17 Where a customer has made a capital contribution for the construction or modification of a transmitter-owned connection facility other than an enabler facility, and where that capital contribution includes the cost of capacity on the connection facility in excess of the customer's needs, the transmitter shall provide a refund, calculated in accordance with section 6.3.17A, to the customer as follows:

a) where the customer made the capital contribution before ~~[~~August 26, 2013~~*insert date of coming into force of amendments]*~~, the refund shall be provided if that excess capacity is assigned to another customer within five

years of the date on which the connection facility or modification to the connection facility comes into service; or

b) where the customer makes the capital contribution on or after ~~[~~August 26, 2013~~*insert date of coming into force of amendments]*~~, the refund shall be provided if that excess capacity is assigned to another customer within fifteen years after the date on which the connection facility or modification to the connection facility comes into service.

Where such a refund is required, the transmitter shall require a financial contribution from the subsequent customer to cover the amount of that refund.

6. The Transmission System Code is amended by adding new section 6.3.17A immediately after section 6.3.17 ~~to replace section 6.2.25~~ as follows:

6.3.17A For the purposes of section 6.3.17, the transmitter shall determine the amount of the refund to the initial customer and of the financial contribution from the subsequent customer by calculating a revised capital contribution amount using the prescribed economic evaluation methodology set out in section 6.5 and the same inputs as used in the original economic evaluation except for load, which will be based on the actual load of the initial customer up to the time of connection of the subsequent customer and a revised load forecast for the remainder of the economic evaluation period. The revised load forecast will include an updated load forecast of the initial customer plus the load forecast of the subsequent customer. The transmitter will then use the methodology set out in section~~s~~ 6.3.14, 6.3.15 or 6.3.16 to allocate the revised capital contribution amount to the initial and subsequent customers. The refund to the initial customer shall be determined by subtracting the initial customer's allocated share of the revised capital contribution amount from the original capital contribution amount paid by the initial customer.

7. Section 6.7.8 of the Transmission System Code is amended by replacing the phrase "section 6.2.24, 6.3.9 or 6.3.17" with the phrase "section 6.3.9 or 6.3.17A", such that the section reads as follows:

6.7.8 Where an economic evaluation, including an economic evaluation referred

to in section 6.3.9 or 6.3.17A, was conducted by a transmitter for a load customer in relation to a connection facility on the basis of a load forecast, a transmitter shall not, during the economic evaluation period to which the economic evaluation relates, require bypass compensation from a customer under section 6.7.6 in relation to any load that represents that customer's contracted capacity.

8. Section 6.9.1 of the Transmission System Code is amended by replacing the phrase "sections 6.2.24, 6.3.9 and 6.3.17" with the phrase "sections 6.3.9 and 6.3.17A", such that the section reads as follows:

6.9.1 A transmitter shall maintain complete and accurate records of all economic evaluations required to be carried out under this Code, including the economic evaluations referred to in sections 6.3.9 and 6.3.17A. Each record must show the details of the economic evaluation, including the determination of the risk classification and the resulting economic evaluation period, the load forecast, the project capital costs, the ongoing operation and maintenance costs, and the project after tax incremental cost of capital, and must include the justification for all of the study parameters.

2. The Transmission Asset Definition Issue

1. Section 2.0.13 of the Transmission System Code is amended by adding the phrase "but excludes any line referred to in section 3.0.14(a) and any station referred to in section 3.0.14(b)" to the end of that section, such that the section reads as follows:

2.0.13 "connection facilities" means line connection facilities and transformation connection facilities that connect a transmitter's transmission system with the facilities of another person, and includes an enabler facility but excludes any line referred to in section 3.0.14(a) and any station referred to in section 3.0.14(b);

2. Section 2.0.45 of the Transmission System Code is amended by adding the phrase "and has the extended meaning given to it in section 3.0.14" to the end of that section, such that the section reads as follows:

2.0.45 "network facilities" means those facilities, other than connection facilities, that form part of a transmission system that are shared by all users, comprised of network stations and the transmission lines connecting them, and has the extended meaning given to it in section 3.0.14;

3. Section 2 of the Transmission System Code is amended by adding new section 2.0.45A immediately after section 2.0.45 as follows:

2.0.45A "network station" means:

(a) any station with one or more of the following:

i. a 500 kV element, including a 500/230 kV or a 500/115 kV autotransformer;
ii. a 230 kV or 115 kV element that switches lines that normally operate in parallel with lines that connect transmission stations containing 500 kV elements;
iii. a 345 kV, 230 kV or 115 kV element that switches a 345 kV, 230 kV or 115 kV line that connects with the transmission system of a neighbouring Ontario transmitter or with a transmission system outside Ontario, including a 345/230~~115~~ kV autotransformer; or
iv. a 345 kV, 230 kV or 115 kV element that switches a 345 kV, 230 kV or 115 kV line that connects interconnection circuits to any network station referred to in any of (i) to (iii) above; and

(b) any station that the Board has determined should be treated as a network facility in or through a ~~previous~~ Decision, Order or Decision and Order issued before *[*August 26, 2013~~*insert date of coming into force of amendments]*~~, ~~and Order of the Board, that is treated as a network facility~~ and has the extended meaning given to it in section 3.0.14;

4. Section 3 of the Transmission System Code is amended by adding new sections 3.0.14 and 3.0.15 immediately after section 3.0.13 as follows:

3.0.14 Subject to section 3.0.15:

(a) a "network facility" includes any line that forms part of the physical path between:

i. two network stations; or
ii. a network station and the transmission system of a neighbouring Ontario transmitter or a transmission system outside Ontario,

such that electricity can be transmitted along the entire path under some operating conditions, which may or may not reflect normal operating conditions; and

(b) a "network station" includes any station with one or more of the following:

i. an element that is greater than 500 kV;
ii. an autotransformer that steps down voltage from a higher transmission level to a lower transmission level;
iii. a transmission switchyard to which all of the following are connected:

(A) one or more generation facilities with a minimum aggregate installed rated capacity of 250 MW;
(B) one or more load facilities with a minimum aggregate load of 150 MW; and
(C) a minimum of four transmission circuits.

3.0.15 Section 3.0.14 only applies where the line referred to in section 3.0.14(a) or the station referred to in section 3.0.14(b):

(a) commences to be constructed on or after ~~*[*~~August 26, 2013~~*insert date of coming into force of amendments]*~~; or

(b) is ~~being~~ expanded or reinforced ~~on or after *[insert date of coming into force of amendments]*~~ for the purposes of increasing its capacity, and the expansion or reinforcement (or the expanded or reinforced line or station) commences to be constructed on or after ~~*[*~~August 26, 2013~~*insert date of coming into force of amendments],*~~ regardless of when the ~~network facility~~ line or ~~network~~ station ~~was constructed~~was originally placed into service.

Appendix D
to
Notice of Amendments to Codes and Notice of Proposal to Amend a Code

August 26, 2013

EB-2011-0043

Comparison Version of Final Amendments to the Distribution System Code
(for information purposes only)

Note: Additions (underlined) and deletions (stricken through) indicate changes to the amendments relative to the amendments as they were proposed on May 17, 2013.

The Distribution System Code is amended by adding new section 8 as follows:

8. Regional Planning

8.1 Definitions

8.1.1 In this section 8:

"Integrated Regional Resource Plan" means a document prepared by the OPA that identifies the appropriate mix of investments in one or more of conservation and demand management, generation, transmission facilities or distribution facilities in order to address the electricity needs of a region in the near- (up to 5 years), mid- (5 to 10 years), and long-term (more than 10 and up to 20 years);

"integrated regional resource planning process" means a planning process led by the OPA for the purpose of determining the appropriate mix of investments in one or more of conservation and demand management, generation, transmission facilities or distribution facilities in order to address the electricity needs of a region in the near- (up to 5 years), mid- (5 to 10 years), and long-term (more than 10 and up to 20 years);

"lead transmitter" means a transmitter that is leading a regional planning process

or is involved in a scoping assessment or an integrated regional resource planning process in a region;

"needs assessment" means a process led by a lead transmitter in accordance with section 3C of the Transmission System Code to determine if regional planning ~~a Regional Infrastructure Plan or an Integrated Regional Resource Plan~~ is required ~~or needs to be updated~~ for a region;

"region" means an area that has been designated as such by a lead transmitter, in consultation with the OPA, under section 3C.2.2(a) of the Transmission System Code for regional planning purposes;

"Regional Infrastructure Plan" means a document prepared by the lead transmitter leading a regional infrastructure planning process that identifies investments in transmission facilities, distribution facilities or both that should be developed and implemented on a coordinated basis to meet the electricity infrastructure needs within a region;

"regional infrastructure planning process" means a planning process led by a lead transmitter in accordance with section 3C of the Transmission System Code for the purpose of determining the investments in transmission facilities, distribution facilities or both that should be developed and implemented on a coordinated basis to meet the electricity infrastructure needs within a region;

"regional planning" means a planning process involving licensed transmitter(s), licensed distributor(s), and the OPA for the purpose of determining whether a Regional Infrastructure Plan and/or an Integrated Regional Resource Plan is required for a region and, where required, developing or updating a Regional Infrastructure Plan and/or an Integrated Regional Resource Plan; ~~and~~

"scoping assessment" means a process led by the OPA to determine the form of

regional planning process (regional infrastructure planning process or integrated regional resource planning process) that is required for a region; and

"transmission-connected distributor" means a distributor whose distribution system is connected to the transmission system of a licensed transmitter.

8.2 Participation in Regional Planning

8.2.1 A transmission-connected distributor shall participate in regional planning upon being requested to do so by the transmitter that is leading a regional infrastructure planning process or by the OPA that is leading a scoping assessment or an integrated regional resource planning process for the region within which the distributor's licensed service area is located, in whole or in part, and shall do so to such extent and in such manner as may reasonably be required by the lead transmitter or the OPA.

8.2.2 An embedded distributor shall participate in regional planning upon being requested to do so by its host distributor or by the lead transmitter ~~that is leading a regional infrastructure planning process or is involved in an integrated regional resource planning process~~ for the region within which the embedded distributor's licensed service area is located, in whole or in part, and shall do so to such extent and in such manner as may reasonably be required by the host distributor or the transmitter.

8.3 Provision of and Requests for Information

8.3.1 A transmission-connected distributor shall provide the following to the lead transmitter ~~that is leading a regional infrastructure planning process or is involved in an integrated regional resource planning process,~~ for the region within which the distributor's licensed service area is located, in whole or in part~~, with the following~~:

(a) such information as the lead transmitter may from time to time reasonably require to support regional planning, and shall do so within 60 days of receipt of the lead transmitter's request; and

(b) prompt notice of any developments in that part of the region in which its licensed service area is located that may trigger the need for investments in transmission facilities, distribution facilities or both, as applicable, or that may otherwise reasonably be expected to affect the lead transmitter's conduct of a needs assessment for the region.

Where the distributor is a host distributor, the information provided to the lead transmitter shall reflect any information provided to it by any of its embedded distributors under section 8.3.4~~3~~.

8.3.2 A transmission-connected distributor shall provide the OPA with such information as the OPA may from time to time reasonably require, for the purpose of supporting regional planning, and shall subject to section 8.3.3 do so within 30 days of receipt of the OPA's request. Where the distributor is a host distributor, the information provided to the OPA ~~transmitter~~ shall reflect any information provided to it by any of its embedded distributors under section 8.3.4~~3~~.

8.3.3 Where a transmission-connected distributor believes that it cannot meet the 30-day timeline referred to in section 8.3.2, the distributor and the OPA may agree to a longer timeline. In such a case, the distributor shall so notify the Board in writing. The notice shall indicate the region in question, the reasons for being unable to meet the 30-day timeline and the extended timeline that has been agreed to between the distributor and the OPA.

8.3.43 An embedded distributor shall provide its host distributor with the following:

(a) such information as may from time to time reasonably be required by the host distributor to support regional planning, and shall do so within 15 days of receipt of the request for information; and

(b) prompt notice of any developments in that part of the region in which its licensed service area is located that may trigger the need for investments in transmission facilities, distribution facilities or both, as applicable, or that may otherwise reasonably be expected to affect a lead transmitter's conduct of a needs assessment for the region.

8.3.5 Where a transmission-connected distributor provides information to a lead transmitter or the OPA under section 8.3.1 or 8.3.2 in respect of a region, the distributor shall also provide the same information to all other transmission-connected distributors in the region. Each host distributor that receives information under this section shall provide that information to each of its embedded distributors.

8.3.64 Where, for the purpose of supporting an application proposed to be filed with the Board, a distributor requires information related to the status of regional planning for a region, including any Regional Infrastructure Plan that is being developed for the region, the transmission-connected distributor or embedded distributor shall request a letter confirming the status from the lead transmitter ~~that is leading the regional infrastructure planning process or is involved in an integrated regional resource planning process~~ for the region no less than 60 days before the distributor requires the letter.

8.3.7 Where a needs assessment determines that the participation of a distributor in a regional planning process is not necessary, the

~~transmission-connected distributor or embedded~~ distributor shall request a needs assessment report from the lead transmitter ~~that is leading the regional planning process~~ confirming that its involvement is not required no less than 10 days before the embedded distributor requires the report for the purpose of supporting an application proposed to be filed with the Board.

8.4 Monitoring and Reporting

8.4.1 Where a Regional Infrastructure Plan identifies the need for a distributor to make an investment in its distribution system, the distributor shall, upon request by the lead ~~applicable licensed~~ transmitter or host distributor or by a distributor referred to in section 8.4.2, provide an update regarding the status of the investment, and shall do so within 30 days of receipt of the request. Where the distributor is a host distributor, the letter shall reflect any investment update(s) provided to it by any of its embedded distributor(s).

8.4.2 Where a distributor has agreed to conduct the review referred to in section 3C.3.1(a) of the Transmission System Code, the distributor shall provide a report to the ~~applicable licensed~~ lead transmitter setting out the status of the investments set out in the applicable Regional Infrastructure Plan within 60 days of receipt of a request ~~being requested~~ from the transmitter to do so ~~by the transmitter~~.

8. 5 Transition

8.5.1 A transmission-connected distributor shall, within 45 days of receipt of a request from a ~~by the~~ lead transmitter, provide the transmitter ~~to whose transmission system the distributor's distribution system is connected~~ with

a letter identifying whether the distributor foresees a potential need for additional ~~a material investment in~~ transmission connection capacity ~~infrastructure~~ to support the needs of the distributor's distribution system over the next five years. Where the distributor is a host distributor, the letter shall reflect any information provided to it by any of its embedded distributors under section 8.5.3~~2~~.

8.5.2 Where a transmission-connected distributor provides a letter to a lead transmitter under section 8.5.1 in respect of a region, the distributor shall also provide the same information to all other transmission-connected distributors in the region. Each host distributor that receives a letter under this section shall provide that letter to each of its embedded distributors.

8.5.3~~2~~ An embedded distributor shall, within 15 days of receipt of a request from its host distributor, provide its host distributor with a letter identifying whether the embedded distributor foresees a potential need for additional ~~a material investment in~~ transmission capacity ~~infrastructure~~ to support the needs of the embedded distributor's distribution system over the next five years.

8.6 Continuing Obligations Re Distribution System

8.6.1 Nothing in this section 8 shall limit any obligation of the distributor to maintain the reliability and integrity of its distribution system or to meet load growth within its licensed service area.

Attachment E
to
Notice of Amendments to Codes and Notice of Proposal to Amend a Code

August 26, 2013

EB-2011-0043

Supplementary Proposed Amendment to the Transmission System Code

Section 6.3 of the Transmission System Code is amended by adding new sections 6.3.8A, 6.3.8B and 6.3.8C immediately following section 6.3.8 as follows:

6.3.8A Despite any other provision of this Code, where one or more load customers trigger(s) the need for new or modified facilities and the IESO undertakes an assessment at the request of a transmitter and determines that the construction or modification of transmitter-owned connection facilities that exceed the capacity needs of the triggering load customer(s) is a more cost effective means of meeting those needs than:

(a) the construction or modification of the transmitter's network facilities; or

(b) the construction or modification of the transmitter's network facilities in combination with the construction or modification of transmitter-owned connection facilities,

the transmitter shall, for the purposes of determining the capital contribution to be made by the triggering load customer(s), attribute to the load customer(s) only the cost of constructing or modifying transmitter-owned connection facilities to the extent required to meet the needs of the triggering load customer(s). The transmitter shall do so based on each load customer's non-coincident incremental peak load requirements as reasonably projected by the load forecasts provided by each such load customer or by such modified load forecast as may be agreed upon by such load customer and the transmitter and, in the case of line connection facilities, taking into account the relative length of line used by each load customer. The transmitter shall also calculate the costs that are avoided by not constructing or modifying the transmitter's network facilities.

6.3.8B Where section 6.3.8A applies, the transmitter shall apply to the Board for approval of the transmitter's attribution of costs between the triggering load customer(s) and the transmitter. Prior to applying to the Board, the transmitter shall notify the applicable load customer(s). Where the Board approves a different attribution of costs, the transmitter shall recalculate the capital contribution to be made by the triggering load customer(s) accordingly.

6.3.8C For greater certainty, where the more cost effective solution referred to in section 6.3.8A:

(a) includes the modification of transmitter-owned connection facilities that serve one or more customer(s) other than the triggering load customer(s); and

(b) the other customer(s) have no need for additional capacity,

the transmitter shall not require the other customer(s) to make a capital contribution in relation to the modification of the transmitter-owned connection facilities.