



September 9, 2013

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

Re: **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**

Dear Ms. Walli:

As a participant in both the Regional Planning and Asset Redefinition working groups, AMPCO has been broadly supportive of these efforts and the changes to the TSC, DSC and OPA license conditions necessary to implementation.

The settled changes to the TSC that are being implemented have been improved by the input of other stakeholders and AMPCO has nothing further to add at this time.

In particular, the establishment of a Regional Planning Standing Committee to monitor implementation and promote improvement of the regional planning process is a most positive step. The shortage of current experience with a coordinated, multi-party regional planning process dictates that a continuous learning mechanism is needed and the Standing Committee will hopefully be up to the task.

AMPCO provides the following comments with respect to the further proposed amendments to the Transmission System Code (TSC):

1. AMPCO supports the addition of sections 6.3.8A, 6.3.8B and 6.3.8C as worded. These sections make clear the need for fair and equitable treatment of all parties when a new or changed connection is required, consistent with the redefinition of line and network connection assets.
2. In support of the suggestion by Hydro One, AMPCO supports the retention of section 6.3.6 in the TSC. While 6.3.8A, 6.3.8B and 6.3.8C appear to make 6.3.6 redundant, we believe it is worthwhile to retain 6.3.6 as a statement of principle and as guidance for future interpretation of the new clauses as may be required when unforeseen circumstances arise.
3. We note that the effect of asset redefinition will be to increase the proportion of network vs. line connection assets and to add clarity to the definition of network assets by eliminating the "dual use" line definition. This change adds clarity to asset definition, but also brings into relief a problem with connection cost responsibility that has existed since the establishment of connection pools.

If a new transmission customer requires connection of its own line to a network **station** asset, the customer is responsible for whatever changes are needed to the transmitter-owned facilities that are

uniquely attributable to the customer's requirements. Typically, this will include a breaker position, along with upstream modification of relays, protection and control equipment, communications and so on. The network connection costs paid by the customer are reduced substantially by the provisions of the Connection Cost Recovery Agreement (CCRA), which provide credit for the net present value of transmission revenue during the term of the CCRA. Since the customer owns their own line in this case and does not use line connection pool assets, the customer will not be charged for line connection.

If, on the other hand, the customer connects its own line to a network **line** asset, the actual cost of connection for the customer will be greater, since the customer will be required to provide a circuit breaker and switch combination at the point of connection (TSC, Appendix 1, Schedule E, 1.2) as a part of its facilities. As part of the customer's facilities, these assets will not be subject to CCRA provisions.

In addition to the greater costs associated with connection to a network line as compared to connection at a station, the provisions of current transmission rate orders require that a customer connecting to a network line facility also pay line connection charges, even where the customer owns all the line connection assets serving it. Respectfully, the effect of this provision is a patently unfair result, whereby a customer with its own line connection facility is also charged for the pooled line connection facilities serving only other customers.

AMPCO requests that the Board review this situation. As a suggested remedy, the definitions of line, transformation and network connections would be best removed from transmission rate orders and included in the TSC, with changes made to ensure fair and consistent treatment of customers according to their actual use of pooled assets.

Please do not hesitate to contact me if you have any questions or require further information.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Adam White', with a long horizontal flourish extending to the right.

Adam White
President
Association of Major Power Consumers in Ontario