

September 9, 2013

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

Via web portal and by courier

Dear Board Secretary:

**Re: Board File No. EB - 2011- 0043
Supplementary Proposed Amendment to the TSC – Cost Responsibility Rules**

The Electricity Distributors Association (EDA) is the voice of Ontario's local distribution companies (LDCs). The EDA represents the interests of 75 publicly and privately owned LDCs in Ontario that serve over 4.8 million residential, business and institutional customers.

The EDA supports the supplementary amendment proposed by the Ontario Energy Board (the Board) to the Transmission System Code (TSC) related to changes to the cost responsibility regime but offers some points of clarification. The EDA's comments on the proposed changes are given below.

We support the notion that there should be no capital contribution requirement from a connecting customer if the new or modified transmitter-owned connection facility is built largely for the purpose of meeting the general reliability and integrity needs of the transmission system. An unduly large amount of capital contribution requirement would encourage distributors to pursue a less efficient alternative.

We agree that, if the transmitter could modify or construct the transmitter-owned connection facilities to shift load from the triggering customer's connection facility to another connection facility with excess capacity, the construction of /modification to transmission connection facilities would be a more cost effective means of meeting the needs of load customers than the construction/modification of the transmission network facilities. In such a case, it is appropriate that the load customer whose needs trigger the project should bear the cost only to the extent that they benefit from the construction of transmission connection facilities. Any

incremental costs should be recovered from the network pool, as the costs associated with the avoided construction of the network facilities would have been recovered from the network pool.

The cost responsibility could be assessed based on the proportional benefit shared between the connecting customers and the overall system.

With respect to the proposed amendment to TSC subsection 6.3.8A, it is appropriate for the transmitter to apportion a part of the cost of transmission connection facilities to the triggering load customers as capital contribution based on their non-coincident incremental peak load requirements and, in the case of line connection facilities, taking into account the relative length of the line used by each customer.

Also respecting the proposed amendment to TSC subsection 6.3.8A, the EDA believes that both the IESO and OPA have specific, but complementary roles in the independent assessment of proposed solutions and that it would be helpful to clarify these roles in this subsection. Currently, the IESO is proposed as the organization which will provide a cost-effectiveness assessment of new or modified connection facilities. The EDA believes that the OPA may be better placed, given its planning role, to undertake assessments of the cost-effectiveness and economic prudence of planning options. At the same time, the IESO is well-positioned to assess options from the viewpoint of the system reliability benefits that they may provide. Although an assessment may be driven by only one of these considerations, the EDA submits that acknowledging in this subsection the individual roles of both parties will enable either or both to contribute to an assessment, as needed.

Further, it would be helpful if the Board could clarify with respect to the proposed amendment to TSC subsection 6.3.8B as to what the process would be for the transmitter to apply to the Board for approval of attribution of costs between the triggering load customers and the transmitter and how long the process is expected to take.

Sincerely,

A handwritten signature in cursive script, appearing to read "Teresa Sarkesian". The signature is written in black ink and has a long, sweeping underline that extends to the right.

Teresa Sarkesian
Vice President, Policy and Government Affairs
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