



March 6, 2015

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

Dear Ms. Walli:

**Re: Proposed Amendments to the Distribution System Code
Elimination of Load Transfer Agreements, EB-2015-0006**

On February 20, 2015, the Ontario Energy Board (the “Board”) issued its Notice of Proposal to Amend a Code (the “Notice”). In the Notice, the Board proposed amendments to the Distribution System Code (“DSC”) in relation to the elimination of load transfer arrangements between electricity distributors. Oakville Hydro appreciates the opportunity to provide comments on the proposed amendments to the DSC.

6.5.3/6.5.4 Transfer of Geographical Distributor Customers to the Physical Distributor

In the Notice, the Board states that the most economic and efficient approach to serving load transfer customers is to transfer the customers to the existing physical distributor. The proposed amendments would require that the geographical distributor submit an application for a service area amendment to transfer these customers to the physical distributor within six months of the amendments coming into force if distribution charges are lower than that of the geographical distributor. Where the transfer of a load transfer customer to the physical distributor would result in an increase in distribution charges, the load transfer customer would remain a customer of the geographical distributor until there is a change in ownership of the account.

Oakville Hydro supports the Boards efforts to eliminate load transfers, however it has identified a few areas of concern:

- There may be areas in the geographical distributors service area for which existing load transfer arrangements exist, but within a 3-5 year horizon, the area is expected to have new subdivisions and customer growth which will result in the expansion of the distribution system and eventual elimination of the existing load transfer arrangements.

- In the context of Customer Focus, geographical distributors have a close and well developed relationship with the customers in their service area. A change of this nature will cause customer confusion and potential dissatisfaction with the transfer to the physical distributor even if distribution rates are lower. This may leave them wondering why they are a resident of Oakville and billed by another distributor in another region. There may situations where customers residing on one side of the residential street are billed by one distributor and the customers on the other side of the street by another distributor.

In addition, in cases where the geographical distributor retains the load transfer customer until there is a change in ownership, there may be an extended period of time where customers living side by side are billed by different distributors leading to further customer confusion and dissatisfaction.

- Geographical and physical distributors are changing distribution rates at different time periods. As a result, there may be situations where either the geographical or physical distributor may be before the Board seeking approval of new distribution rates within the implementation time set out in the DSC amendment. A decision could be made to transfer a load transfer customer to the physical distributor only to find out shortly thereafter that the physical distributor's newly approved rates are higher than the geographical distributor's rates.
- From a CDM perspective, there may be some existing CDM programs in progress or in place with the geographical distributor for load transfer customers. Therefore, there will be a misalignment which may result in energy savings attributed to these customers being counted towards the wrong distributor's CDM targets. (E.g. If there is a commercial retrofit in the geographical distributor's area – which distributor achieves the energy savings)?

6.5.6 No New load transfer Arrangements

It is Oakville Hydro's view that there may be some instances or conditions that may require a "temporary" load transfer arrangement to exist. Therefore, Oakville Hydro suggests that the Board consider including a provision for short-term load transfers.

Respectfully submitted,

Original signed by

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