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BULLETIN

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**TO: All Licensed Electricity Distributors
All Other Interested Parties**

**RE: Expectations for Distributors to Support Timely Connection of New Load
Customers**

This Bulletin provides Ontario Energy Board (OEB) staff's guidance and expectations for licensed electricity distributors in meeting their regulatory obligations to ensure timely customer connections. The expectations set out in this Bulletin will be taken into consideration by OEB staff in any compliance review or inspection regarding new load connections.

On November 29, 2023, Ontario's then Minister of Energy, Todd Smith, in his Letter of Direction to the OEB, requested that the OEB review and report on several issues regarding the cost of connecting residential homes. In preparing its response to the Minister, the OEB heard from a number of stakeholders, particularly developers, who expressed concerns about delays in the process of connecting new subdivisions to electricity distribution systems. Specific issues identified included poor communication and information-sharing by distributors, and delays in completing connections – leading to increased delays and costs for new housing projects.

OEB staff have also undertaken several compliance reviews that have revealed significant delays in certain customer connections, including those for subdivisions. The causes of these delays often aligned with concerns noted above that were raised by developers during the consultations. Additionally, the compliance reviews identified instances where distributors failed to provide customers with necessary information regarding connection and expansion costs.

Distributors' Regulatory Obligations

Distributors have obligations to connect customers under the *Electricity Act, 1998*, their distribution licences and the OEB's Distribution System Code (DSC) (Regulatory Requirements). The DSC sets out detailed timelines for responding to connection requests and completing connections on a timely basis once all applicable service conditions are met. Based on the stakeholder feedback and compliance review findings, OEB staff believes it is important to set out certain expectations for distributors in relation to their compliance with Regulatory Requirements to ensure new load connections are completed in a timely and efficient manner.

Given the essential nature of electricity service, especially for housing developments, distributors must take all reasonable steps to respond to and complete customer connection requests as quickly as possible. In OEB staff's view, unreasonable delays in doing so may be considered a denial of service to those customers and a failure to comply with the Regulatory Requirements.

Expectations for Timely Connections

OEB staff recognizes that connection timelines can vary greatly, depending on the scope of the project, and for that reason the Regulatory Requirements do not prescribe timelines for every step of the connection process, or for the entire duration of a connection project. For example, connections that require substantial expansions of the distribution system will naturally take longer than simpler projects. External factors like requirements for permits from, or agreements with third parties may also influence timelines but are beyond the control of distributors. However, the absence of detailed timelines, in OEB staff's view, does not remove the requirement that distributors work diligently with customers to complete connections as soon as possible.

Through the compliance reviews, OEB staff has observed that the establishment of clear project milestones, timelines, and effective communication by the distributor from the project outset significantly improves process efficiency, customer satisfaction and connection timeliness. To facilitate timely connections and compliance with the Regulatory Requirements, OEB staff expects licensed distributors to adopt the following practices, if they have not already done so:

- **Project Plan:** For commercial, industrial, multi-unit residential and residential subdivision connections, provide a detailed project plan for the connection that outlines critical milestones with associated dates – including, dates related to the delivery of engineering design drawings, approvals, procurements, financial payments, and the start and completion of construction. This plan should be provided to the customer no more than 45 days after the Offer to Connect is accepted and signed by the customer, unless otherwise agreed to by the

customer. The project plan should be updated and communicated to the customer whenever significant changes occur.

- **Information on Other Requirements:** Identify and explain any other requirements or conditions, not included in the project plan or Offer to Connect, that the customer must fulfill for the distributor to complete the connection. These may include third-party permits, approvals, inspections, and agreements, along with their associated timelines. Distributors should provide this information to the customer at the project outset, when they provide the project plan, and update it as necessary. This is intended to ensure the customer is aware of these requirements early in the connection process to be able to address them and not delay their connection.
- **Designated Contact:** Assign a single point of contact for the project, such as a specific employee, phone number, or email address dedicated to connection projects. This ensures the customer has a means of obtaining updates and facilitate effective communication. Distributors should also establish an escalation process to promptly address any issues that may arise throughout the connection process.

Additionally, OEB staff would like to remind distributors of their obligations under the DSC to provide customers with information on connection costs and economic evaluation of any system expansion work. Distributors must ensure customers receive complete and timely details on the costs, inputs and assumptions used in the economic evaluation.

OEB staff has identified through compliance reviews that some distributors are not meeting the timelines for completing Offers to Connect due to incomplete customer information. To avoid these delays, OEB staff strongly recommends distributors provide customers with a detailed list of information required to complete an Offer to Connect. This list of information should be made available on the distributor's website or provided directly to customers who request it.

By applying these practices, distributors can mitigate delays and uncertainties, leading to a more timely and predictable connection process for customers. Further, OEB staff is of the view that distributors following these expectations will demonstrate their commitment to good customer service and operational efficiency, ultimately benefiting the broader community by ensuring reliable and timely access to electricity services. In assessing whether a distributor has met its Regulatory Requirements, OEB staff will expect to see evidence demonstrating that the distributor has met the expectations set out in this Bulletin as part of a compliance review or inspection. Failure to meet the

Bulletin's expectations will be considered when assessing the distributor's compliance with Regulatory Requirements.

If you have any questions regarding this Bulletin, please contact IndustryRelations@oeb.ca. The OEB's toll-free number is 1-888-632-6273.

The views expressed in this Bulletin are those of OEB staff and are not binding on a panel of Commissioners. Any enquiries regarding this Bulletin should be directed to the OEB's Industry Relations.