

December 9, 2024

Nancy Marconi  
Registrar  
Ontario Energy Board  
2300 Yonge Street  
P.O. Box 2319  
Toronto, Ontario  
M4P 1E4

Dear Ms. Marconi

**EB-2024-0092 – Ontario Energy Board – Notice of Proposal to Amend the Distribution System Code to Facilitate the Connection of Housing Developments and Residential Consumers**

On November 18, 2024, the Ontario Energy Board (OEB) gave notice of proposed amendments to the Distribution System Code (DSC). The proposed amendments are intended to facilitate the connection of housing developments by extending the connection horizon to a maximum of 15 years for qualifying housing developments and extending the revenue horizon to 40 years for all residential customers.

This process was initiated by the Letter of Direction from the Minister of Energy dated November 29, 2023. In that Letter of Direction the Minister asked the OEB to review its electricity distribution system expansion connection horizon and revenue horizon direction to ensure that the balance of growth and ratepayer costs remain appropriate. The OEB undertook a consultation process and in June 2024 submitted its Report to the Minister of Energy and Electrification. In that Report the OEB recommended that it move ahead with specific changes to the current cost recovery framework to address challenges related to large developments including:

- Proposing new provisions for the DSC to clarify for distributors and customers how extended connections horizons beyond the standard five years should be employed;
- Extending the revenue horizon used in the evaluation of expansion projects to 40 years, to recognize the life of assets used in connecting and serving residential customers;
- Developing a capacity allocation model that specifically addresses multi-year multiparty developments and ensures a fair allocation of costs among connection parties.

In a letter to the Chair of the OEB the Minister endorsed the recommendations and expressed an expectation that the OEB further consider extending the connection horizon for housing development projects to 15 years.

These are the submissions of the Consumers Council of Canada (CCC).

**Submissions:**

CCC acknowledges that the OEB, through these DSC amendments, is following the direction of the Minister with respect to extending both the connection and revenue horizons. In light of this CCC does not intend to take issue with the changes proposed.

The OEB has proposed that with respect to extending the revenue horizon to 15 years a housing development must meet certain conditions. The conditions are intended to ensure that only lengthy housing development projects that are sufficiently advanced will qualify. From the OEB's perspective this will minimize the impact on existing ratepayers by reducing the risk of projects failing to progress as planned and avoids the unnecessary administrative burden for distributors in extending connection horizons for projects expected to be completed in five years.<sup>1</sup>

Although CCC supports the proposed conditions we remained concerned about the increased risk to existing customers arising from the extension of the customer connection horizon to 15 years. What happens if the developer's projected customer count and revenue forecast does not materialize? What happens if the project does not proceed as planned? What happens if the developer or developers go bankrupt or abandon the project? CCC submits that through its proposed conditions the OEB should require that LDCs address these issues. This may require contractual arrangements with developers or other mechanisms to protect utility ratepayers. Moving to a 15-year connection horizon should not result in rate increases for existing customers. Expansions should continue to be fully funded by developers and their customers.

Yours truly,

**Julie E. Girvan**

Julie E. Girvan

---

<sup>1</sup> Notice of Proposal to Amend a Code, EB-2024-0092, dated November 18, 2024, p. 4