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August 14, 2025

NOTICE OF AMENDMENT TO THE DISTRIBUTION SYSTEM CODE

BOARD FILE NO. EB-2024-0092

To: All Licensed Electricity Distributors
All Participants in Consultation EB-2024-0092
All Other Interested Parties

What You Need to Know

- The Ontario Energy Board is issuing a final amendment to the Distribution System Code in relation to connection of housing developments
- The amendment clarifies that for the purpose of an economic evaluation the 40-year revenue horizon only applies to residential customer connections.
- The amendment is effective once it's published on the OEB's website.

The Ontario Energy Board (OEB) is giving notice under section 70.2 of the Ontario Energy Board Act, 1998 (Act), of a final amendment to the Distribution System Code (DSC) removing clause (b)iii from the Customer Revenue Horizon section in Appendix B to clarify that the 40-year revenue horizon applies only to residential customers. The OEB proposed the deletion of this clause in response to a question it received about whether the recently implemented 40-year revenue horizon should be applied to non-residential customer connections in a housing development.

A. Background

On June 16, 2025, the OEB issued a Notice of Amendments to the DSC (<u>June 16 Notice</u>) to implement a Capacity Allocation Model (CAM) to facilitate housing development connections.

In its June 16 Notice, the OEB also gave notice of a supplemental proposed amendment to Appendix B (Methodology and Assumptions for an Economic Evaluation) of the DSC, the purpose of which was to clarify application of the 40-year residential customer revenue horizon introduced in the OEB's December 23, 2024, <u>amendments</u> to the DSC.

On December 23, 2024, the OEB amended the DSC to facilitate 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. To give effect to this change, the OEB amended the definition of the Customer Revenue Horizon in Appendix B for the purpose of economic evaluations undertaken in cases of system expansions necessary for the connection of a housing development¹. The maximum customer revenue horizon for a non-residential connection is 25 years, calculated from the forecast in-service date of the first new customer connection. Paragraph (b) of the definition provides that subject to paragraph (c), the customer revenue horizon is forty years for the connection of any of the following:

- A residential customer, calculated from the forecast in-service date of the new customer connection;
- ii. A property as defined in the Condominium Act, a residential complex as defined in the Residential Tenancies Act, 2006 or a property that includes one or more dwellings and that is owned or leased by a cooperative as defined in the Co-operative Corporations Act, whether bulk metered or suite metered (as defined in the Energy Consumer Protection Act, 2010), calculated from the forecast in-service date of the new building connection; and
- iii. A housing development, calculated from the forecast in-service date of the first residential customer connection.

¹ The December 23, 2024, amendments included the following new definition of "housing development": "housing development" means a project to construct multiple residential accommodations on a piece of land that will be divided into multiple parcels and offered for sale, and that will be comprised predominantly of residential accommodations but may also include public buildings, industrial and commercial buildings or space appropriate for such buildings"

No written comments were received in relation to the supplemental proposed amendment. The OEB is therefore adopting the proposed amendment and the Final Amendment to Appendix B of the DSC is set out in Appendix A to this Notice.

B. Anticipated Costs and Benefits

As noted in June 16 Notice, the OEB does not anticipate any incremental costs as the result of the supplemental proposed amendment, as it is solely for the purpose of avoiding confusion among distributors and customers on the applicability of the 40-year revenue horizon.

C. Coming into Force

The Final Amendment to Appendix B of the DSC, as set out in Appendix A, will come into force on the date that the Final Amendment is published on the OEB's website.

If you have any questions regarding this Notice, please contact Industry Relations at IndustryRelations@oeb.ca. The OEB's toll-free number is 1-1888-632-6273.

DATED at Toronto, August 14, 2025

ONTARIO ENERGY BOARD

Ritchie Murray Acting Registrar

Attachment:

Appendix A - Final Amendment to Appendix B of the Distribution System Code – Clean Version

Appendix B – Final Amendment to Appendix B of the Distribution System Code – Comparison Version

Appendix A

to

Notice of Amendment to the Distribution System Code August 14, 2025 EB-2024-0092

Final Amendments to the Distribution System Code

DSC Appendix B

Customer Revenue Horizon²

- (a) The maximum customer revenue horizon for a non-residential connection is twenty-five (25) years, calculated from the forecast in-service date of the first new customer connection.
- (b) Subject to paragraph (c), the customer revenue horizon is forty (40) years for the connection of any of the following:
 - i. A residential customer, calculated from the forecast in-service date of the new customer connection.
 - ii. A property as defined in the *Condominium Act*, a residential complex as defined in the *Residential Tenancies Act*, 2006 or a property that includes one or more dwellings and that is owned or leased by a cooperative as defined in the *Cooperative Corporations Act*, whether bulk metered or suite metered (as defined in the *Energy Consumer Protection Act*, 2010), calculated from the forecast inservice date of the new building connection; and
- iii. [Revoked by amendment, effective on the date the final amendment is published on the OEB's website after having been made by the OEB]
- (c) Where an initial offer to connect was accepted by the developer or other customer on or before November 18, 2024, the customer revenue horizon set out in paragraph (b) does not apply and the maximum customer revenue horizon is twenty-five (25) years, calculated from the forecast in-service date of the first new customer connection.

Appendix B

to

Notice of Amendment to the Distribution System Code August 14, 2025 EB-2024-0092

Amendment to Appendix B of the Distribution System Code – Comparison Version

For information purposes only

Note: Strikethrough text indicates deletions from paragraph (b) of the Customer Revenue Horizon section of Appendix B to the DSC.

Customer Revenue Horizon²

- (a) The maximum customer revenue horizon for a non-residential connection is twenty-five (25) years, calculated from the forecast in-service date of the first new customer connection.
- (b) Subject to paragraph (c), the customer revenue horizon is forty (40) years for the connection of any of the following:
 - i. A residential customer, calculated from the forecast in-service date of the new customer connection.
 - ii. A property as defined in the *Condominium Act*, a residential complex as defined in the *Residential Tenancies Act*, 2006 or a property that includes one or more dwellings and that is owned or leased by a cooperative as defined in the *Cooperative Corporations Act*, whether bulk metered or suite metered (as defined in the *Energy Consumer Protection Act*, 2010), calculated from the forecast inservice date of the new building connection; and
- iii. A housing development, calculated from the forecast in-service date of the first residential customer connection.
- (c) Where an initial offer to connect was accepted by the developer or other customer on or before November 18, 2024, the customer revenue horizon set out in paragraph (b) does not apply and the maximum customer revenue horizon is twenty-five (25) years, calculated from the forecast in-service date of the first new customer connection.