



3240 Mavis Road  
Mississauga, Ontario  
L5C 3K1

Tel: 905.566-2727  
Fax: 905.566.2737

[www.enersource.com](http://www.enersource.com)

October 11, 2006

Ontario Energy Board  
2300 Yonge Street, Suite 2700  
Toronto, ON M4P 1E4  
Attn: Board Secretary  
Ms. K. Walli

Dear Ms. Walli:

**Re: EB-2006-0226**

Thank you for the opportunity to comment on the Board's proposed amendments to the Distribution System Code ("DSC"). On behalf of Enersource Hydro Mississauga Inc. ("Enersource Hydro") I offer several general comments, below, and a number of specific comments, in the attached Appendix A.

Enersource Hydro has identified three general issues arising from or associated with the proposed amendments.

Cost Recovery

The connection and ongoing operation of embedded generators will increase costs already incurred by distributors and will give rise to new costs, previously not incurred by distributors. None of these costs are recovered through rates at this time. Some costs may be reduced or eliminated. As a result, Enersource Hydro suggests that all costs incurred be tracked and disposed of through distribution rates at a later date.

Best Efforts

The proposed amendments should require that all distributors perform to a "Best Efforts" standard when a generator seeks to be connected to a distributor's system. This will overcome any concerns over the fairness of the processes relied on prior to a project being entered into the queue.

Emergencies

The amendments are silent on how distributors should deal with Emergencies that might affect embedded generators. To be clear, emergencies will not materially impact the connection of generators to the distribution system. Emergencies will impact these generators once they are operating. The DSC could clarify the distributor's priority when restoring service. So as not to unduly delay the implementation of the Standard Offer Program, the Board could canvass distributors, in July 2007 perhaps, for information on how emergencies were dealt with. The results of this survey could inform draft amendments that could be implemented in November 2007.

Thank you again for the opportunity to comment on these amendments.

Sincerely

A handwritten signature in black ink that reads 'K. Litt'.

K. Litt  
Regulatory Affairs Advisor

Enersource Hydro Mississauga Inc.  
Comments, October 11, 2006

Appendix A

Section 1.2

The definition titled “Embedded Generation Facility” would benefit by clarifying the status of generators billed under net metering that may wish to participate in the Standard Offer Program. The situation whereby generators may be used for either load displacement or for power export should be defined as clearly as possible.

Section 5.2.1

The link between fuel type and type of meter is unclear. If such a link does not exist the amendment should be deleted.

Section 5.2.1

Enersource Hydro seeks clarification on the meaning of “net metered generator”; specifically, that it is a generator whose power output and power consumption are both measured in watts and watt-hours.

Sections 6.2.3 and 6.2.9

Enersource Hydro assumes that the information to be provided on the schematics is to be disclosed to the level discernable by a trained professional upon visual inspection of a distribution system. Furthermore, the information made publicly available should not reveal distribution system flexibility, constraints or criticality.

Section 6.2.4

Enersource Hydro assumes that it is appropriate to communicate regularly with customers about their position in the queue. It may be appropriate to notify proponents more often as their project approaches the top of the queue or when their project changes position in queue.

Enersource Hydro also seeks clarification of how it can provide two months advance notification to a generator that it may be dropped from the queue; this outcome cannot be anticipated reliably. At best, distributors can notify proponents when their project has been in the queue for 10 months that at the end of the 12<sup>th</sup> month the project will be deleted and of the steps that must be taken to re-enter the queue.

Section 6.2.9.1

Enersource Hydro proposes that the DSC amendments require that proponents treat the information provided under this section as confidential. Enersource Hydro notes that this information could be valuable to other market participants.

Section 6.2.9.3

The amendments should clarify the cost methodology to be relied on.

Section 6.2.9.4

In the alternative, a distributor could provide a proponent with the costs to provide stand alone connection to another technically feasible point on the distribution system.

#### Section 6.4.9

The effect of these amendments is an exaggerated need to obtain a favorable System Impact Assessment. Because the process for obtaining this has not been described and no objectives have been stated it is open to questions over its fairness. Rather than permitting such questions to distract a distributor from the necessary work to provide connection to an embedded generator it is suggested that the Board should require that all distributors work on a Best Efforts basis when connecting embedded generators and providing ongoing services.

#### Section 6.2.18

The term "connection cost agreement" is used for the first time in this amendment. Enersource Hydro looks forward to reviewing the Board approved template Connection Cost Agreement.

#### Section 6.2.25

Enersource Hydro suggests that this provision mirror any provisions currently in place for dealing with increasing or decreasing loads.

#### Appendix E Section 4.2

Enersource Hydro seeks clarification that this section applies to generation behind the meter.

#### Appendix E Section 4.3

Enersource Hydro seeks clarification that this section applies to all generation, other than generation behind the meter.

#### Annex 1

Para 3.2 more properly belongs in Recitals.

Para 6.1 item c is redundant with para 4.1 - one of these sections should be deleted or re-worded so that it is clear that it addresses a different contractual matter.

To the extent that para 6.2 items a) and b) are captured in the distribution license they are unnecessary.

Para 7.1 refers to a visual break. It is unclear what benefit is obtained under this requirement, especially as the remainder of the section (as well as para 6.1 item c and para 4.1) all address the need to satisfy the applicable standards of the governing authorities.

Para 8.1 refers to 15 working days. To be clear, it is assumed that the 15 days begins on the day work on the modification is to commence and not to the day it is to be completed.

Section 10 should include a paragraph on Emergencies. Distribution system emergencies will occur and may affect embedded generators.

Para 13.2 should be expanded to include work to disconnect the generator or the customer.

Para 15.8 needs to be amended to allow for the provision of distribution services, such as Standby or black start.

Para 17.1 requires leave of the Board but does not indicate how this is to be obtained.

Para 19.5 item b is unclear.

Para 20.3 should be amended to specifically cite collection, settlement, billing or any aspects of default.

Schedule H provides that a customer may disclose its confidential information. It is not necessary to contract for a customer to release their own confidential information.

#### Retail Settlement Code amendments

The amendments to paragraph 3.2 should include the need to:

- obtain a favorable System Impact Assessment from the geographic distributor;
- enter into a Connection Cost Agreement; and
- enter into a Connection Agreement.