



October 11, 2006

Kirsten Walli, Board Secretary
Ontario Energy Board
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Via e-mail to: boardsec@oeb.gov.on.ca.

Re: **Board File # EB-2006-0226 - Proposed Amendments to the Distribution System Code and Retail Settlement Code**

The following comments are advanced in relation to the Board's proposed amendments to the DSC and RSC.

Notice of Proposal page 5:

The Board should be aware that although distributors do have existing settlement processes in place there will still be incremental costs associated with the settlement of these contracts. There will be additional time and resources spent administering, filing, reconciling, and disbursing these settlements that will increase with the number of facilities that come on line. In some cases there are still manual processes in place as systems cannot always evolve quick enough to respond to regulatory changes and complexities. The potential additional requirements put on distributors need to be considered in the context that they are cumulative as there have been many other demands put on the distributors for which there is no compensation. Add to this the potential of shrinking revenues due to changes in rate setting and demand reductions resulting from CDM initiatives. While we acknowledge the importance of these programs and the overall benefits we also have the primary responsibility of ensuring that we have sufficient financial and human resources to ensure a safe and reliable distribution system. North Bay Hydro requests that the Board consider providing an administrative fee or

recovery mechanism to LDCs for providing settlement services related to embedded generation facilities.

Metering (Section 5.2)

Metering provides not only supports settlement purposes but also provides a valuable source of operational data. The operational characteristics of generators are such that a four quadrant meter should be mandatory for all but micro-embedded generators.

A standard energy/demand meter functions correctly for lagging power factors only and will not register correctly for other conditions. The proposed amendment does not account for this possibility and, if anything, adds more uncertainty for both Generator and Distributor.

Queuing (sections 6.4.9.1 and 6.4.9.2)

It is not clear whether the total timeline for signing of the connection cost agreement is 12 months, including the two months notice period or 12 months + the notice period. This should be clarified.

The duration of the queue period needs to be examined relative to the timelines that generators will encounter with their approval processes from various agencies. This may require an extension of the queue period or some modification of the process to recognize this.

Standard Form Connection Agreements (Appendix E)

The Standard Form does simplify and make the process more uniform. There are, however, some minor changes required.

Under Section 4 of the Standard Form, revise 4.1(b) to read (changes in bold italics) "...conforms to all applicable industry standards of, ***but not limited to*** the Canadian Standards Association ("CSA"), the Institute of Electrical and Electronic Engineers, the American National Standards Institute and the International Electrotechnical Commission;"

Under Section 6 (Representations & Warranties), language should be included indicating the repercussions for misrepresentation.

Under Section 7 "Connection Disconnect Device", this phrase is rather awkward. "Disconnect Device at the Point of Connection" would be more accurate.

Under Section 11 (Facility Testing & Commissioning), add a further paragraph to reflect that authorization for final connection should be contingent on completion of commissioning to the Distributor's satisfaction.

Under Section 15 (Disconnection of Facility for Other Reasons), add 15.1(f), “where the operation of the Generator adversely impacts the reliability of the Distribution System”. In conjunction with this, modify paragraph 15.2 to reflect disconnection under 15.1(f).

Other technical issues

The Board has explicitly stated in the Background that the technical requirements of the DSC will be updated at some point in the future, pending the completion of on-going work in this regard.

We would suggest that, while we do appreciate the Board’s rationale for advancing these proposed amendments, some of the technical issues being worked on at this time have a direct bearing on some of the “irritants” being expressed by a number of proponents, the most common of which centers around what could best be termed “system protections”. The proposed amendments to the DSC should explicitly reflect the possibility of these changes.

Sincerely,

A handwritten signature in blue ink, appearing to read 'M. Mantha', with a long horizontal line extending to the right.

Marc Mantha, P.Eng
Manager, Operations

Copy: Jim Snider
Elizabeth Chirico