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Ontario Energy Board
PO Box 2319
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By Courier and email

Attention: Kirsten Walli, Board Secretary

Subject: Proposed Amendments to the DSC and RSC Facilitating Distributed Generation EB-2006-0226

Dear Ms. Walli

Waterloo North Hydro Inc. (WNH) appreciates the opportunity to provide input in the form of comments on the above noted subject.

We agree with the general principles of standardizing certain requirements for the benefit of generators and the Local Distribution Companies (LDCs). Our comments are provided to help bring clarity to the issues and identify areas of concern and provide recommendations for wording changes.

Attachment A 9

WNH would suggest adding the following:

“c. distribution system needs. “

The size of the embedded generation permitted under this section can have a significant impact on voltage regulation and operation of the distribution system. Four quadrant metering may continue to be required for a significant portion of size range permitted in this section in order to monitor the proposed facility’s VAR components so that it does not negatively impact the rest of the customers. This is also an issue where the proposed generation facility is embedded to another utility. Any metering equipment used for settlement must meet the requirements of Measurement Canada.

Attachment A 13 Queuing process

WNH is pleased to see the issue of queuing being addressed. The issue of customers to locating in the service territory of an Embedded LDC, however, is not addressed and we

Attachment A 13 Queuing process continued

would recommend including a clause requiring the Embedded and Host LDC to advise each other of applications, within their respective service areas, that impact on the other's distribution system and potential customers. WNH would suggest adding to section 6.2.14 of the DSC...

“Where the customer’s project is proposed to be connected to a portion of the distributors system that is embedded to a Host distributor, the Host LDC must review and approve the CIA before the Embedded LDC forwards the CIA to the customer. The connecting distributor and the Host LDC must share information regarding the customer’s project in order for the Host LDC to confirm and approve recommendations in the CIA.”

This will address issues with respect to timing of applications within each other's service area and will be used to perform ordering of Connection Impact Assessments (CIA) performed for the customers. The Host LDC must be a party to the CIA process and requires all information provided to the connecting LDC in order to assess the impact on its utility. Recently WNH had an issue where the Embedded LDC was not able to provide us with the customer's information due to a perceived confidentiality issue on the part of the customer. This prevented us from performing an appropriate CIA. Confidentiality issues are addressed by current regulations in PIPEDA and the DSC.

The proposed SOP process of the OPA and the OEB do not explicitly require review of the CIA for facilities embedded to a Host LDC. The distribution system constraints can be significant and require review and approval of the CIA by the Host LDC. While micro facilities may not be impactful, the small generators (<500 kW for <15 kV or <1,000 kW for > 15kV) may be impactful on the Host LDC. The Host LDC should be able to identify limits on the size and location for embedded facilities based on their specific circumstances.

Attachment A 15

WNH would suggest the following change to 6.2.9(b) d. “ ...proposed generation facility(ies) including ...”

Attachment A 16

WNH is concerned with the amount of detail to be provided in section a. particularly with respect to locations of transformer and distribution stations. We would suggest this requirement be removed to protect integrity and security of the distribution system. In addition, the customer is able to perform their feasibility study based on remaining information provided.

Attachment A 17

WNH would suggest adding to the proposed paragraph in the second sentence the following: “... the connection costs, **including costs of the Host LDC if applicable** ...” This would address issues where the customer contests cost from the host LDC.

Attachment B 3

WNH would suggest adding to the proposed paragraph in the second last sentence the following: “...associated with the contract **for energy and related taxes**, and shall”
The OPA may have other funding arrangements for non energy related items that are outside the mandate of the LDC .

Attachment: Form of connection Agreement for a small embedded generation facility

Section 2.4 WNH would suggest changing the wording of the first check box to “**has been approved**” from “intends to”

This addresses the order in which events will occur between respective instruments.

Section 3.3 WNH would suggest the order of precedence be reversed and have the Conditions of Service having precedence over the proposed contract.

Section 9 WNH is concerned with the limits prescribed in the contract for liability coverage. As the contract is for a 20 year time frame, provisions should be made for escalation of limits. Secondly, the customer should be required to post with the LDC confirmation of coverage at least annually or when coverage changes or expires.

Section 19 The OPA conditions have specific production requirements not reflected in this agreement respecting termination. Specifically the requirement to produce energy at least within the past 24 months would result in voiding the contract with the OPA and result in a change to Schedule E of this document.

Section 20 WNH is concerned there is no reference to provision of information to the Host LDC in this agreement. If the corresponding changes requested above are included in the Code, then by extension, the requirements to share information with the Host LDC would be accommodated.

Thank you for the opportunity to provide comments in this process. We would be willing to discuss any of the points contained within with OEB staff in order to facilitate this process.

If there are any questions, please contact Gerry Hilhorst at 519-888-5550 or ghilhorst@wnhydro.com.

Yours truly,

Original signed by

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VP Regulatory Affairs