

January 17, 2007

Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

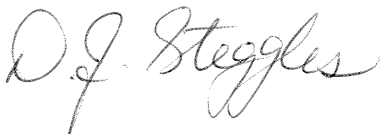
**Re: Staff Proposal on Filing Requirements for Service Area Amendments
EB-2006-0327 – Comments of the Electricity Distributors Association**

The Electricity Distributors Association (EDA) is the voice of Ontario's local distribution companies (LDCs).

Attached is the EDA's submission on Filing Requirements for Service Area Amendments.

If you have any questions or concerns please contact Maurice Tucci at 905-265-5336 or at mtucci@eda-on.ca.

Yours truly,



Debora Steggles
Vice President, Policy and Government Relations

Encl.

**Staff Proposal on Filing Requirements for Service Area Amendments
EB-2006-0327 – Comments of the Electricity Distributors Association**

The EDA has consulted with members and the EDA's Long Term Load Transfer Working Group to provide input on the OEB's Staff Proposal on Filing Requirements for Service Area Amendments as presented with their letter of December 20, 2006. The EDA has the following comments.

In the introduction section of the proposed Filing Requirements for Service Area Amendments Applications, it is noted that service area amendments can be caused by mergers, amalgamations, acquisitions and divestitures (MAAD), by the phase out of existing long term load transfer (LTLT) arrangements, and by general expansions owing to the development of new subdivisions. This gives the impression that the proposed filing requirements also address MAAD filing requirements. The LTLT Working Group believes the current process for addressing MAAD applications should be maintained and be separated from other service area amendments because the requirements should be different. For example, it has been noted that the filing requirement to provide all contact information for each affected customer (section 7.1.1 b) does not make sense for a MAAD application.

The LTLT Working Group also notes that LTLT driven service area amendments could include asset sales and therefore require Section 86 applications, and the service area amendment filing requirements should recognize this. Consideration should be given to providing unique LTLTs phase out application filing requirements in a separate section or appendix, to highlight the difference from service area amendments caused by development.

For those instances whereby both parties agree there should be a service area amendment, EDA members believe the process and information requirements appear more complicated than necessary. To avoid a great deal of unnecessary work the proposed filing requirements should be amended. Members believe the approval processes for LTLT phase out applications should be more streamlined than is proposed.

Section 7.1.4 indicates a requirement to provide maps. Consideration should be given to allow the filing of diagrams when it is appropriate for the situation. There should be different requirements for smaller areas involving a few individual customers in close proximity to one another.

Section 7.1.4 b) requires maps showing the location of all the distribution facilities such as lines, transformers, and substations for the proposed amendment area. Members note that this would require considerable work to provide all these details which may not be useful in assessing the application. Members believe only facilities they believe are relevant should be identified.

Section 7.1.6 identifies a requirement to provide "offer to connect" documentation for applications initiated by interest in service from one or more customers, or developers. This section is applicable for expansions due to development, but is not relevant for customers seeking new connections. As a result, this appears overly permissive for customer initiated

service area amendment applications, or at the very least causes confusion. The RP-2003-0044 Decision With Reasons notes that applications for service area amendments by customer preference are not generally in the public interest.

In Section 7.2 the last sentence of the first paragraph, should indicate the “lowest” long run economic cost.

Section 7.2.1 c) indicates that the fully loaded connection costs of supplying the customer needs to be provided for both the applicant and the incumbent. Members note that considerable work may be required for establishing the costs for an alternative connection which may be clearly considered uneconomic in comparison. There will be situations where a single approach by the applicant is the obvious least cost approach and providing an alternative is unnecessary. Only when there is disagreement between the incumbent and applicant on the best approach should the costs for alternatives be provided.

The EDA assumes that the term “fully loaded” refers to “fully allocated cost”, and if so, we would recommend that this term be clarified.

Section 7.3.1 and Section 7.3.4 appear redundant with previous sections of the filing requirements. Information on affected customers is identified in Section 7.1.1.

Section 7.3.5 and 7.3.6 involve change of ownership of assets and therefore require Section 86 application submissions. These sections are not needed in the service area amendment applications.

The EDA’s LTLT Working Group has been developing a guideline to assist distributors in dealing with service area amendments related to phasing out LTLTs. The EDA LTLT Working Group proposes that LDCs file their plans to address LTLTs as a first step. The EDA believes more work is required to streamline the approval of LDCs’ plans to address LTLTs.

The EDA believes the suggested changes to the proposed filing requirements reduce potential confusion and eliminate unnecessary work. The EDA supports the efforts of the OEB to establish more streamlined and standardized approval processes and looks forward to more work to address the approval of plans to address LTLTs. Specifically, we would welcome an integrated package to assist LDCs in processing the necessary applications to eliminate LTLTs (e.g. Section 86 and service area amendments).