

Ontario Energy Board
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Commission de l'Énergie de l'Ontario
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April 28, 2000

To: All Interested Parties:

Re: Distribution System Code

Board staff is seeking comments on the draft Distribution System Code (the Code) from all interested parties. The draft Code with appendices and the Report of the Task Force are available on the Ontario Energy Board's (the Board's) website.

On March 8, 1999 a letter was sent to parties inviting participation in an industry-led task force. The objective of the Task Force was to formulate recommendations for the development of the Distribution System Code. A task force was struck with representation from distributors and a broad cross-section of industry stakeholders and participants. The Report of the Task Force provides further insight into the Task Force's activities and processes. The Report includes the recommendations on each of the issues addressed by the Task Force, as well as background and issue discussion sections. The Report is composed of nine chapters with a total of sixty-five Summaries of Recommendations. These provided the basis for development of the draft Code.

The Distribution System Code sets out the minimum conditions that a licensed electricity distributor must meet in carrying out its obligations to distribute electricity under the *Energy Competition Act, 1998*. The Code specifies the distributor's obligations to retailers, generators, other distributors and consumers; as well as, the conditions that must be maintained by retailers, generators, other distributors and consumers. Compliance with this Code is a condition of all distributors' licences.

A key challenge in developing the draft Code was to strike a reasonable balance between establishing sufficient uniformity and direction and to minimize regulatory burden while allowing sufficient flexibility such that individual distributors will be able to make business decisions and accommodate conditions unique to their service area.

The scope of the draft Code is very broad covering areas including Connections and Expansions, Operations and Maintenance, Distributor Relations, Embedded Generation, Conditions of Service, and Metering.

In addition to comments relating to specific paragraphs in the draft, parties are asked to comment on the following issues:

1. Clarity for ease of understanding and interpretation

2. Implementation issues that the Board should be alerted to related both to transitional issues and long-term feasibility of the recommendation
3. If the draft Code, from the stakeholder's point of view, meets the objectives of the *Energy Competition Act*; for example, non-discriminatory access, protection of the interests of consumers
4. If the draft Code meets the needs of the stakeholder
5. If the draft Code will result in an appropriate degree of harmonization across all distributors; for example, with respect to the Conditions of Service, system expansions
6. Whether the mandated standards are adequately prescriptive; for example in metering
7. Whether the Code provides adequate information for ease of compliance by *all* distributors; for example, the process for connecting an embedded generator
8. The processes and the conditions relating to connections and expansions
9. With respect to paragraph 2.2.1, comment on the definitions of "building", "lies along", "connection", "enhancement" and "expansion".

The draft Code and companion documents are posted on the Board's website at www.oeb.gov.on.ca. Please review the draft Code and provide your comments, in writing or by fax, to Board staff by May 18th. All comments received will be taken into consideration by the Board before it approves the Code. Please identify the specific section and paragraph number that relate to your remarks.

Please forward your comments by May 18, 2000 to:

Kirsten Walli
Energy Licensing
Ontario Energy Board
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2300 Yonge St
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If you have any questions regarding the draft Distribution System Code, you may contact Brian Hewson at (416) 440-7628 or Kirsten Walli at (416) 440-7677 or by e-mail at walliki@oeb.gov.on.ca or toll free at 1-888-632-6273.

Sincerely,

Anne Powell
Director of Licensing