

**Minutes of the Distribution Systems Code Task Force  
Eleventh Meeting - September 1, 1999, 9:30 a.m. to 3:30 p.m.**

Location: Ontario Energy Board Offices  
26<sup>th</sup> Floor, Main Boardroom

**In Attendance:**

Ron Lapier (Chair)	Sarnia Hydro
Kevin Bell	Great Lakes Power
Tanya Bodell	PHB
Kevin Henderson	Caledon Hydro
Chris Mackie	OEB
Jane Scott	Ottawa Hydro
Romano Sironi	Toronto Hydro
Kirsten Walli	OEB
John Alton	Lincoln Hydro
Lisa Brickenden	OEB
Mary Hutchins	ECS
Tom Godfrey	Sault St. Marie Hydro
Robert Hendry	H.V. Engineering

**1. Opening Remarks**

The chair called the meeting to order and welcomed those in attendance, including Mary Hutchins who was replacing Mary Ellen Richardson of Econalysis Consulting Service.

**2. Review & Approval of Minutes**

The minutes of Meeting #10, held August 18<sup>th</sup>, 1999 were approved by the Task Force with a minor revision on page 4; 'mist' to be 'must'.

**3. Additional Agenda Items**

The only additional agenda item was a question of whether we are on schedule. It was reported that we are still on track for the end of December. Tanya Bodell has been building up the draft code as we have been going along. She will be bringing it to the group when it is further along. We would like to see more recommendations being brought forward from the sub-groups.

**4. Review of Action Items from Previous Meeting**

Action items from the August 18<sup>th</sup>, 1999 minutes were reviewed. Most items were included on the agenda for this meeting.

ESA Participation in DSC: Kirsten Walli reported that she had spoken to Kris Paszkowiak of the Electrical Safety Authority and they are interested in participating in the DSC. They will be joining the full Task Force at the next meeting and possibly some sub-groups.

## 5. Summaries of Recommendations

### a. **Point of Demarcation**

Appendix 11a-Point of Operational Demarcation for Service Connection (Final Draft #5) and Appendix 11b-Point of Ownership Demarcation for Service Connection (Draft) were distributed by Ron Lapier.

#### Point of Operational Demarcation for Service Connection

The summary was reviewed by Task Force members and the comments are summarized as follows:

- on page 2, in the bold under Summary of Group Discussion ‘deemed’ should be changed to ‘defined’ because the customer must be made aware of the process.
- members were asked if they had operating agreements with their large customers and R. Lapier said that Sarnia did.

This recommendation, as revised above, was approved unanimously by the Task Force.

#### Point of Ownership Demarcation for Service Connection

It was noted that the changes from the last meeting were indicated in italics. The summary was reviewed by Task Force members and the comments are summarized as follows:

- on page 2, first line, ‘property line’ should be ‘property line and/or easement boundary’.
- Under Option 3 ‘Operational’ should be ‘Ownership. Although it states that there would be no additional long term burden on the OEB there would be some short term burden on the OEB. On page 3, first paragraph, ‘was not installed’ should be changed to ‘may not have been’. On page 4, first paragraph, ‘the Distributor owns’ should be ‘many Distributors own’.
- the OEB does not have the authority to force divesting of assets although it has been done on the gas side. See Section 70-13 of the Ontario Energy Board Act. The intent was this does not apply to the ‘bits’ of the distribution system but to surplus assets. A legal interpretation is required.

**Action: K. Walli to obtain a legal opinion on the implications of Section 70-13 with respect to forcing MEUs to divest of plant.**

- if we let things remain as is we would have inconsistency with respect to contributed capital.
- can we have a consensus to use the property line for all the civil structure issues with the exception of the wire as the point of demarcation?
- the suggestion was made that we use the six Board objectives in Part 1, Section 1 of Bill 35, to assess the impact of any decision we make about both ownership and operational demarcation.
- it does not make sense to show up at the customer’s property and say we don’t own it, therefore we are not going to fix it.
- the prescribed approach could be that there be standard demarcation for new connections
- taking plant out of the rate base is not serving the customer.
- as a residential customer, why doesn’t the utility own up to the meter?

- customer is not protected from having to pay for repairs regardless of ownership.
- look at the impact of changing the point of ownership demarcation on rates, safety, reliability,
  - i.e. the line of demarcation you choose will not change your rate base by plus or minus 5%.
- this would be a variation on Option 2 that would allow you to make your own decision based on the criteria.
- this issue is tied to the type of customer, utility has to identify the types of customers they have, some have 3, some 15 and then indicate the point of demarcation for each type.
- leaning towards forcing the utility to list the customer types and points of demarcation and if they choose to change then they have to make a case to the OEB. This would result in most utilities continuing to do what they do now.
- the permissiveness of Option 2 is troubling, what is the purpose of the code if everyone is going to continue as is? Can we be more prescriptive to encourage MEUs to adopt a standard up to and including the meter base?
- there is a fourth option that going forward we prescribe a uniform standard.
- such a fourth option would remove the doubt and confusion for the customer and improve safety and reliability.
- Option 2 covers a wide continuum and consistency covers two elements: consistency across the province and within the MEU between customers and over time.
- defining the asset base (i.e. ownership) may be done in the license and the freedom may be in managing the asset.
- see the goal of the DSC to protect the consumer and ensure that the distributors stay in business
- consistency across the province with respect to the treatment of contributed capital would be helped if we had consistency of ownership.
- the point of ownership does not define contributed capital. See section 92 of the OEB Act.
- a strawman was proposed as follows: the point of demarcation is the meter base unless the utility and customer negotiate otherwise.
- utilities don't want to own the meter base nor the wire in the stack
- need to know ESA perspective on this
- take subdivisions out of this issue as it has immense implications for utilities and the construction industry. It belongs as part of Upgrades, Expansions and Reinforcements Sub-group.
- include in the write up why we divided ownership from operations.

**Action:** A conference call is to be held on Thursday, September 9<sup>th</sup>, 1999 with the following participants: R. Lapier, J. Scott, J. Alton, T. Bodell, M.E. Richardson and K. Walli to rewrite the Summary of Recommendation for Point of Ownership Demarcation for Service Connection.

- b. LDC's Obligations**
- c. Customer's Obligations**
- d. Process for Connection**
- e. Process for Establishing Charges for Connection**

The above four items were deferred until the next meeting due to the absence of Ken Quesnelle.

**f. Standard Voltage Offerings**

The following changes have been made: Page 2, under Summary of Group Discussion, paragraph 3 was added and in paragraph 5 an explanation was added. It was proposed that in the recommendation 'However, if there is no standard set of voltages' be removed and add that this is Option 1. This recommendation, as revised, was approved unanimously by the Task Force.

**g. Purpose of Generic Template for Conditions of Supply**

Page 3, paragraph starting "Some distributors..." was added. This recommendation was approved however there was one dissenting view.

**Action:** Tanya Bodell to add the dissenting opinion to the recommendation.

**h. Definition of a customer**

**i. Definitions of a meter**

The above two items were deferred until the next meeting due to the absence of Rene Gatien.

**j. Future load Transfer Arrangements**

Tanya Bodell reported on an Action Item from the last meeting with respect to whether or not there could be overlapping service territories. She reported that there is nothing to prohibit overlapping service territories however the LDC which wants to expand would have to petition the Board.. A revised draft was handed out and the comments are summarized as follows:

- any customer that resides in your geographical territory but is fed from another distributor's line is considered a load transfer.
- if there is a bulk meter this would be a sale from one utility to another, not a load transfer
- existing load transfers are being looked at by the Relationships between Distributors' sup-group.
- the issue of infill should also be addressed by the Relationships between Distributor's sub-group.
- concern that you could get two lines going out to every load transfer customer.
- OEB will approve the expansion so they would make sure that all options have been considered including feeding from another utility.

The recommendation was approved however there was one dissenting view.

**Action:** Tanya Bodell to revised the recommendation and e-mail to Task Force members. Dissenting views are to be e-mailed back to Tanya Bodell.

**k. Operations and Maintenance Guidelines**

The minutes of the August 25<sup>th</sup>, 1999 meeting of the sub-group were received. It was

noted that the sub-group now has an Ontario Hydro Services Co. representative.

**1. Relationships between Distributors**

The above item was deferred until the next meeting due to the absence of Gord Ryckman.

**6. Status of Sub-Groups**

Embedded Generation/Cogeneration

The sub-group on embedded generation/cogeneration will meet on September 14<sup>th</sup>, 1999 at the OEB offices. Members include R. Lapier, J. Scott, Tony Petrella of OPGI, representative from IPSO and Ray Payne from Chatham Kent. It was suggested that TransAlta might be interested in participating. It was agreed that this sub-group would be looking at the technical aspects not the contractual and financial aspects.

The Task Force brain stormed some of the issues related to embedded generation and cogeneration. They are summarized as follows:

- issues include back up rates, short circuit, voltage levels, relay protection
- in the past a facilities charge based on embedded costs has been used.
- are we talking about all sizes or would there be a minimum size we are dealing with?
- the group that will be issuing licenses to all generators has not put together the criteria for new generators yet
- DSC will have to address connecting any licensed generators, which may be quite small
- will the DSC provide guidance to the distributor to balance capacity planning with respect to distributed generation?
- if IMO pays the generator not to generate what type of distribution charge do you get.
- do MEUs have an obligation to connect? Section 28 says you can't say no.
- PBR does not address reserve capacity nor connection fees

Unauthorized Energy Use

This sub-group has not been formed yet, although Lorne Pashe has been looking into this issue.

Disconnect and Reconnect

This sub-group is dependent on the Retail Settlement Code for information. The DSC will address the technical process for disconnection and the information required.

**Action:** Tanya Bodell to check with the RSC to see how far they are with the issue of Disconnect and Reconnect.

**7. Adjournment & Next Meeting**

The meeting was adjourned at 3:30 p.m. The next meeting of the DSC Task Force is scheduled for September 15, 1999, 9:30 a.m. to 3:30 p.m. at the offices of the OEB. R. Lapier will set the agenda.

**Recording Secretary:        Jane Scott, Ottawa Hydro**

**List of Appendices to September 1, 1999 Meeting**

- 11a    Point of Operational Demarcation for Service Connection
- 11b    Point of Ownership Demarcation for Service Connection
- 11c    Standard Voltage Offerings
- 11d    Purpose of Generic Template for Conditions of Supply
- 11e    The Need for New Load Transfer Agreements
- 11f    Minutes of Maintenance Sub-committee DSC Meeting, August 25, 1999