

**Minutes of the Distribution System Code Development Task Force
Third Meeting, May 13, 1999, 9:30 a.m. to 4:00 p.m.**

Location: Ontario Energy Board Offices

1. It was agreed to circulate the minute taking alphabetically amongst members of the Task Force. Mike Angemeer was appointed to take today's minutes. It was indicated that, if possible, documents should be circulated in Word format as well as WordPerfect as some members were having difficulty with the conversion.

Comments on Minutes of Previous Meeting

Some updated information was given on Item 2. The rate handbook table of contents exist and the handbook should be available in late May, early June. The table of contents will be requested for this committee.

The following should be added to pg. 2 point #6: - Facilitate non-discriminatory access.

Pg. 2, point 5 – the definitions should be added to the front of the draft work plan.

The minutes of the second meeting were accepted with the noted comments.

New Business

The draft chart of accounts is available and will be provided by the OEB.

Ontario Hydro conditions of supply are available and will be provided. Hydro Mississauga's are available electronically.

The chairs will decide on which conditions of supply from other jurisdictions outside Canada will be circulated.

Retail Settlements Code Task Force information will be available on the web site.

2. Item 5 on the Agenda dealing with the overlap with the RSC task force will be discussed amongst the chairs and brought back to the next meeting.
3. Ron Lapier, a member of the PBR Implementation Task Force gave a presentation on Reliability and Service Quality standards. These outputs from the task force are recommendations to the OEB. Ron's presentation on the task force overview, the recommended customer service standards and the suggested PBR implementation timeliness were handed out. Highlights and comments on the presentation:

- Subtopics dealt with in the PBR Implementation task force were: plan term and exit ramps, customer service standards, reliability standards, public safety, environmental safety and demand side management.
 - Public safety, Environmental safety and DSM were not specifically addressed by the task force as these are addressed by other agencies or will be addressed going forward.
 - DSM initiatives could still be brought forward but would be more formally addressed in the second phase PBR
 - The co-chair of the DSC Task Force indicated that there would be some value in addressing DSM within distribution to avoid fragmentation of benefits.
 - They are recommending no penalties for non-compliance for the customer service standards initially since many of these measurements are not currently in place.
 - The recommendations adopted will appear in the rate handbook and there will be opportunity for public comment.
 - There will be some checking and auditing of reporting.
 - Various sharing mechanisms were discussed. A possible scenario involved returns above some maximum rate of return being shared 75% with the customer and 25% with the shareholder. Sharing may be by rebate or rate reduction
 - Z factors were discussed. Mainly judicial or administrative issues that are beyond the LDC's control. Corporate restructuring costs are not included and only large disaster costs would be considered.
 - For reliability there will be a minimum standard and a benchmark that will continuously improve. The SAIDI and SAIFI measures will include planned outages but exclude supplier outages. Supplier outages should be taken care of by the PBR for the transmission companies. There will be some kind of smoothing to address possibility of year to year swings (3yr or 5 yr average)
 - There will be annual reporting with a mid term review if there are concerns. A problem may be dealt with using an order to comply with the requirement to file a compliance plan within 3 months. Last resort would be license suspension or revocation
4. Agenda Item 4 – Connection, Upgrades, Expansion. There is a need to look at 2 categories of connection
- next to existing line
 - offer to connect (and possibly expand) – not next to existing line
5. Expansion can be driven by the LDC (not initiated by a customer connection request) or the OEB has the authority to ask the LDC to expand.
6. Ron went through the questions on the conditions of supply survey. The following additions were made
- G1 –add in how the obligation is defined
 - G2 – conditions of service – obligations on LDC and customer
 - G3 – specific or schedule
 - G10 – add opinion or comment
 - C6 – how do you decide on type of pad or pole
 - C14 – add interval metering

- E – add road widening and development charges.
7. Review of budgets not expected to be heavy handed for every capital project. If it is not commercially viable there wouldn't be an incentive for the LDC to expand. The OEB may order expansion for other reasons. We should review the gas industry rules for expansion at some point.
 8. There may be ramifications of the approval process. Land use development may be held up if the approval for large connections/expansions is held up by the OEB approval process.
 9. The OEB will be questioned on where the responsibility for a separate metering code should reside.
 10. The issue of the licensing requirements for facilities such as trailer parks, condominium townhouses, etc with their own "internal distribution" system needs to be addressed.
 11. Cost sharing in new subdivisions will be an issue. Some municipalities collect development charges to cover the cost of expansion and to spread the costs fairly. How will this be translated to the connection/expansion formula? Should the first subdivision connected pay the costs and then be repaid as the others along the line connect or should they all pay a portion along the way? There may be disparity in the way existing development charges are allocated. This will be added to the survey. We need to find out if the PBR rates group have considered contributed capital and development charges in their rate determinations.
 12. Questions to be addressed in the survey on transformer allowance, primary metering and transformer losses
 13. Paula gave a presentation on the decision making process decided on at the RSC Task Force
 - they grouped decisions into 3 main areas – Customer Choice, Billing and Interface with IMO
 - Options were: simple majority, special majority, special majority with reporting a dissenting opinion and consensus
 - The DSC Task Force decided on 2/3 majority with dissenting opinion for the task force and subgroups.
 14. Jeanne brought forward the issue of how we would deal with issues regarding work distribution between the task force and subgroups in a review of the work plan. After some discussion it was decided to continue working as a larger group until certain issues like definitions and the initial survey responses were further along. From the larger list presented the following were chosen for initial review by certain members of the task force – connections & expansions (treated together), maintenance, metering (to be discussed by chairs) and definitions and obligations. The chairs will try and put together a summary of how these issues are dealt with in other jurisdictions.
 15. The following were identified to start looking at some of the issues

- Questionnaire – collection of answers and putting forward some alternatives – Ray, Ken, Ron
 - Review of definition comparison work that was done by Ron along with the draft chart of accounts – Rene, John
 - Identification of additional topics required in C – System Operation, maintenance, upgrades and replacement – Lorne and Mike
 - Identification of additional topics required in G – Responsibilities to other distributors – Gord
 - Identification of additional topics required in E,F – Process for disconnection & reconnection and Unauthorized energy use – Lorne
 - Identification of additional topics required in H – Connection & operation of embedded generation & cogeneration – Ray, Ron
 - Identification of additional topics required in J – Other Services - Rene, Mike
 - Look at definitions and process in the gas industry – Mary Ellen (possibly someone familiar with the gas industry could be invited to a future meeting)
16. The final style of the DSC would be similar in nature to the Affiliate code and the Standard supply code. The final drafting would be done by board staff and the consultant. The preference would be for one code although there may be differences required for different customer groups.
17. Items that are completed should be e-mailed to Shela. Shela will distribute an updated members list.

The next meeting is scheduled for May 27 with a 9:30 a.m. start and a 3:30 p.m. finish.

The meeting adjourned at 4:00 p.m.

Recording Secretary: Mike Angemeer, P.Eng.