

**Minutes of the Distribution Systems Code Task Force  
12<sup>th</sup> Meeting - September 15, 1999, 9:30 a.m. to 3:30 p.m.**

Location:      Municipal Electric Association Offices

**IN ATTENDANCE:**

Ron Lapier (Chair)	Sarnia Hydro
John Alton	Lincoln Hydro
Mike Angemeer	Hydro Mississauga
Stephen Au	Toronto Hydro
Rene Gatien	Guelph Hydro
Tom Godfrey	Sault Ste Marie PUC
Kevin Henderson	Caledon Hydro
George Mychailenko	Brantford Hydro
John O'Neill	MEA
Lorne Pasche	Welland Hydro
Kris Paszkowiak	ESA
Ken Quesnelle	Woodstock PUC
Mary Ellen Richardson	ECS
Gord Ryckman	OHSC
John Savage	Ministry of Energy, Sciences And Technology
Jane Scott	Ottawa Hydro
Darius Vaiciunas	Collingwood PUC
Lisa Brickenden	OEB
Nabih Mikhail	OEB
Kirsten Walli	OEB
Tanya Bodell	PHB

**1.      OPENING REMARKS**

Add Mr. Kris Paszkowiak from the Electrical Safety Authority as a member of the Task Force.

**2.      REVIEW & APPROVAL OF MINUTES**

The minutes of Meeting #11 held September 1, 1999 were approved by the Task Force.

**3.      ADDITIONAL AGENDA ITEMS**

No additional agenda items were proposed.

#### **4. REVIEW OF ACTION ITEMS**

##### **Implications of Section 70-13:**

Kirsten Walli reported that OEB legal counsel advised the general intent of this provision is large, dealing with significant dispositions. It is not related to the point of demarcation.

##### **Conference Call:**

A conference call was held on September 9, 1999 regarding the point of demarcation. Based on this call the document was modified and will be reviewed.

##### **Disconnect/Reconnect:**

Steve George is working on this topic in the Retail Settlement Code. Non-payment is a key issue within the RSC group. We will receive the RSC information before pursuing further.

#### **5. RECOMMENDATION SUMMARIES**

##### **(i) Relationships between Distributors: TS Transformation**

There will be summary recommendations for the group to review. There is a trade-off between maintaining maximum economic flexibility while ensuring system integrity. There are three options to consider:

- 1) Transmission Company maintains the transformation capacity (Status Quo);
- 2) Transmission Company manages existing assets, however future transformation will be managed by the distributors;
- 3) Transmission Company divests themselves of existing transformation and will not provide transformation.

The sub-group had recommended that:

- 1) LDC has the right to control their own TS facilities;
- 2) Supply commitments be documented through operating agreements;
- 3) Construction of new TS require notification of all interested parties and OEB approval;
- 4) Proposed sale of TS would require notification of all parties and OEB approval;
- 5) A proposed sale should have a willing seller and a willing buyer;

**5. RECOMMENDATION SUMMARIES – (Cont’d.)**

- 6) There are recommendations to put to the Transmission System Code Task Force:
  - a) Transmission Company continue to manage the pool of existing and new transformation.

A lengthy discussion ensued with many comments offered, such as:

- S with respect to the Transmission 2000 workshops how do these recommendations tie in?
- S some cases the TS is considered part of the integrated transmission system thus the transmission company may not allow a transfer of assets
- S some LDCs built stations to get a credit, others did to get a more timely supply
- S some LDCs will be unable to support construction of a TS
- S the Transmission 2000 workshops indicate distributors may pay for new stations
- S concern for obtaining new breaker positions was expressed
- S some utilities such as Sault Ste. Marie own the TS plus the 115KV radial line. This is distribution, however being above 50KV excludes this from the definition of distribution.
- S the cost of a station is such that it will fall under the criteria for Section 92 of the Act
- S there may be duplication of protection and control, however this may be resolved through the Transmission System Code Task Force.

The following were entered as Appendices:

- 12A - Relations between Distributors  
- TS Transformation
- 12B - Relations between Distributors  
- LV Lines
- 12C - Minutes of Sub-Committee on Relations between Distributors –  
Meeting #3 – September 8, 1999

## 5. **RECOMMENDATION SUMMARIES – (Cont'd.)**

### ii) **Relationship between Distributors – LV Lines**

There are three options to consider:

- 1) Transmission Company to provide all facilities to the Distributor boundary
- 2) Distributor responsible and given opportunity to construct, operate and own facilities even into another Distributor's territory
- 3) Distributor obligated to make an offer to provide and operate facilities within their supply territory

Recommendation is for the Distributor to own and operate in their own territory.

A discussion regarding connection of a customer to another LDC developed. If a line which is not adjacent to potential customers is needed for another Distributor, then the other Distributor should be able to build it.

Questions were asked regarding existing customers wanting to become distributors themselves. A lengthy discussion followed, some points brought up were:

- S distributor must have a service territory
- S stakeholders may appeal to the OEB
- S this new distributor may not fall under ESA jurisdiction
- S sub-metering would be an issue
- S once a distributor, they must provide non-discriminatory access
- S an opinion was that the obtaining of a license implies many obligations and much cost, so this may discourage those who may try
- S the hope was OEB would ensure those given licenses are credible
- S many felt that there will be several out there who will try to get a license

A short discussion regarding the obligations of one distributor to another in reference to the transferring of power took place with the following comments:

- S does the requesting distributor need to have their system up to the standard of the supplying distributor?
- S the supplying distributor is obligated to connect if standard is met

## 5. RECOMMENDATION SUMMARIES – (Cont'd.)

- S if the supplying distributors' system is not capable to serve another distributor, what is the obligation?
- S the supplying distributor is obligated to make an offer which may include the cost of upgrades
- S it was suggested the supplying distributor can not refuse on the basis of potential future need

**ACTION:** All task force members to review Appendices 12A, 12B, 12C and provide feed back to the Sub-Committee.

### iii) Distribution System Expansion

Discussion Paper entitled 'Distribution System Expansion' dated September 13, 1999 was entered as Appendix 12D.

It was felt that the DSC task force was the place to address this topic. It has always been on the Work Plan. The topic is very important and must be dealt with as soon as possible with completion in the next two months. It was hoped a sub-group would be formed immediately. It was felt that procedures should be similar to natural gas. It was noted that a major difference between electricity and gas is the obligation to serve. The group felt that more information would be appropriate before an actual sub-group is formed. A decision was made that a presentation to the entire group will take place next meeting. This will be given by OEB personnel. It was also brought up that there is a relationship between the subject of expansion, PBR and rates. It was generally felt that representatives from Enbridge and/or Union Gas should be invited to present their viewpoints on expansion.

**ACTION:** Task Force members are to e-mail questions to OEB Staff (Kirsten Walli and Nabih Mikhail) which they feel should be addressed in a presentation.

**ACTION:** Kirsten Walli to consult with OEB to determine if appropriate to invite representatives from Enbridge and/or Union Gas to participate in a presentation. If appropriate them to arrange.

### iv) Standard Voltage Offerings

This topic was deferred to a later date.

### v) Purpose of Conditions of Supply

This topic was deferred to a later date.

**5. RECOMMENDATION SUMMARIES – (Cont'd.)****vi) Future Load Transfer Arrangements**

This topic was deferred to a later date.

**vii) Operations and Maintenance Guidelines**

The document ‘Draft Summary of Recommendations’ Distribution Line Operation, Maintenance and Replacement Standards was entered as Appendix 12I. The sub-committee has broken this topic into several sub-topics. The document ‘Appendix 12I’ through the template model details the overall approach taken. The largest sub-topic (inspections) was addressed first by the sub-committee. There is representation by OHSC thus providing the rural perspective. Some discussion came about by reviewing to-date the inspection cycle as detailed on Page 21 of the document.

**Comments were:**

- S** streetlighting is owned 90% by municipalities why is this here?
- S** streetlighting topic is just a placeholder until further clarification is received from OEB
- S** how is underground cable inspection?
- S** only the visible portion of underground cable can be inspected
- S** why is there a separation between urban and rural?
- S** the impact of inspection on OHSC is very significant because of the amount of rural
- S** rural may not have the public safety issues which urban areas do
- S** the degree to which utilities are performing these inspections currently vary greatly thus the risk, cost and benefits should be considered

**ACTION:** All task force members should review this document and provide feedback to Mr. Pasche or Ms. Richardson.

**ACTION:** J. O’Neill to investigate legal liabilities for precedence related to maintenance cycles.

## 5. **RECOMMENDATION SUMMARIES – (Cont'd.)**

### **viii) Point of Demarcation**

The options from Appendix 12N were outlined as follows:

- 1) Complete freedom to treat any customer any way the Distributor sees fit.
- 2) Distributor to establish a boundary for each customer type and publish in the Condition of Supply. Submit with rate submission.
- 3) Establish a boundary as in Option 2 but phase in the prescriptive definitions.
- 4) Establish a very prescriptive definition to be implemented immediately.

A lengthy discussion was initiated discussing the pros and cons of the options. Some of the points made follow:

- S the point of demarcation determines the materials required as customer owned falls under ESA jurisdiction
- S there are reliability issues as the point gets closer to the customer
- S different demarcation points affect contractors and their need to maintain many different types of equipment
- S ESA inspectors need to know the points of demarcation
- S utilities presently supply different levels of transformation, if the customer owns all transformation spares would need to be carried by all customers, however if the utility owns the transformation one spare may be sufficient for many customers
- S it is unclear how transformation allowances will work
- S in the operational sense it will improve service if the LDC determines its own demarcation which is understood by its employees
- S customer choice is affected by the options
- S customers could not accept a change retroactively
- S if changes occur creating demarcation further from the customer then there could be sub-standard equipment in service as viewed by ESA
- S connection charges are dependent of this point, thus consistent connection charge

**5. RECOMMENDATION SUMMARIES – (Cont'd.)**

- S if there is interest in protecting the customers (reliability and quality) the point of demarcation would be as close to the meter base as possible
- S being too prescriptive eliminates customer choice
- S it was suggested that existing residential customer stay as they are but new customers fall under the Conditions of Supply
- S review the demarcation point at the end of three years (at the same time as the rate structure). The thinking is that utilities may be much closer together on this issue at that time based on new rate structure.
- S there should be consistency within the rate classes
- S different offerings may be made to the same size customers with different customer contributions

**ACTION:** Task force members are asked to review the document (Appendix 12N) and provide comments to Mr. R. Lapier.

**ix) Others for Discussion**

The following were added as Appendices:

Appendix 12J – Definition of the word ‘meter’

Appendix 12K – Definition of the word ‘customer’

Appendix 12L – Distribution System Code definitions

There was a motion put forward to accept Appendix 12J by Mr. John Alton and seconded by Mr. Darius Vaiciunas. The vote was unanimous. The document will be referred to as Final Draft #6.

Appendix 12K - ‘Definition of a Customer’ will be added to the list of definitions.

Appendix 12L – ‘Distribution System Code Definitions’ is to have the Table of Abbreviations and Acronyms added to it.

Appendix 12M – ‘The need for separate points of Demarcation’ was entered.

**ACTION:** Task force members to review Appendix 12M and provide feedback to Ms. Bodell.

## 5. RECOMMENDATION SUMMARIES – (Cont'd.)

Appendixes 12E – ‘Generic Template for Conditions of Supply’, 12G – ‘Standard Voltage Offerings’, 12O – ‘Proposed Definitions for Discussion Purposes’ were added to the minutes but not discussed.

Appendix 12H – ‘Minutes of Embedded Generation’ was entered into the minutes. The sub-committee will meet next week. No detailed review discussed at this time.

**ACTION: Task force members to provide feedback to Mr. R. Lapier.**

Appendix 12F – ‘The need for New Load Transfer Agreements’ was entered into the minutes. A discussion regarding this topic ensued. Some comments made are as follows:

- S a load transfer is a situation where a customer receives energy from a distributor that provides electricity through another distributor’s lines
- S licenses address what is required in your territory
- S it may cost less to serve a customer through a load transfer
- S one distributor may want a load transfer and the other may not
- S competition at license borders is non-exclusivity, not load transfer
- S there are no longer exclusive territories, the OEB must approve expansions and settle disputes at the borders
- S some municipalities are looking at charging utilities for getting access to rights-of-way

**ACTION: Task force members to review recommendations 6.1 to 6.5 of final MDC report.**

## 6. STATUS OF SUB-GROUPS

This was not reviewed.

## 7. ADJOURNMENT & NEXT MEETING

The meeting was adjourned at approximately 3:50 P.M. The next meeting is scheduled for September 29, 1999 – 9:30 A.M. to 3:30 P.M. at the OEB offices.

**Recording Secretary:** Lorne Pasche – Welland Hydro

**List of Appendices to September 15, 1999 Minutes:**

- 12A Relations between Distributors – TS Transformation
- 12B Relations between Distributors – LV Lines
- 12C Minutes of Sub-Committee Relations between Distributors Meeting #3 – Sept. 8/99
- 12D Distribution System Expansion – Sept. 13/99
- 12E Generic Template for Conditions of Supply
- 12F The need for New Load Transfer Agreements
- 12G Standard Voltage Offerings
- 12H Minutes ‘Embedded Generation’
- 12I Draft Summary of Recommendations “Distribution Line Operation, Maintenance and Replacement Standards’
- 12J Definition of the word ‘meter’
- 12K Definition of a ‘customer’
- 12L Distribution System Code Definitions
- 12M The need for Separate Points of Demarcation
- 12N Point of Demarcation
- 12O Proposed Definitions for Discussion Purposes