

**Minutes of the Distribution Systems Code Task Force
Tenth Meeting - August 18, 1999, 9:30 a.m. to 3:30 p.m.**

Location: Ontario Energy Board Offices
25th Floor, Hearing Room #2

In Attendance:

Ron Lapier (Chair)	Sarnia Hydro
Mike Angemeer	Hydro Mississauga
Kevin Bell	Great Lakes Power
Tanya Bodell	PHB
Rene Gatien	Guelph Hydro
Kevin Henderson	Caledon Hydro
Chris Mackie	OEB
George Mychailenko	Brantford Hydro
John O'Neill	MEA
Ken Quesnelle	Woodstock PUC
Mary Ellen Richardson	Econalysis Consulting Service
Gord Ryckman	Ontario Hydro Services Company
Jane Scott	Ottawa Hydro
Romano Sironi	Toronto Hydro
Darius Vaiciunas	Collingwood PUC
Kirsten Walli	OEB

1. Opening Remarks

The chair called the meeting to order and welcomed those in attendance, particularly new participants. Romano Sironi, Toronto Hydro is attending for two meetings as an alternate to Stephen Au. Jane Scott, Ottawa Hydro will be attending on a permanent basis as a replacement to Ed Muldoon.

2. Review & Approval of Minutes

July 21, 1999 Meeting # 8

The July 21 minutes have been revised in accordance with suggestions from the August 4 meeting. An editorial correction was noted on page 3 (“protector” is to be replaced with “protection”).

The July 21, 1999 minutes were adopted by the Task Force.

August 4, 1999 Meeting # 9

The minutes of meeting # 9 were previously circulated. Item 6 (a) was amended to include an additional sentence to indicate that all subgroup correspondence is to be copied to Tanya Bodell.

The amended August 4, 1999 minutes were adopted by the Task Force.

3. Additional Agenda Items

The agenda as published was accepted; no additional items were identified.

4. Review of Action Items from Previous Meeting

Actions items from the August 4, 1999 minutes were reviewed. Most items were included on the agenda for this meeting.

Holmberg Legal Case: Kirsten reported that OEB counsel has advised that the Holmberg legal case, appendix 8B, does not add to the legal implications of “*lies along*”

ESA Participation in DSC: Kirsten reported that an answer has not yet been received regarding the participation of the Electrical Safety Authority in the DSC Task Force.

Misc. Summary of Recommendations: Summaries have been prepared for Definition of Meter, Standard Voltage Offerings, Purpose of Generic Conditions of Supply, and Need for New Load Transfer Agreements. All are included on the agenda for meeting # 10.

5. Summaries of Recommendations**a. Point of Demarcation**

Two Summaries of Recommendation were distributed by Ron Lapier. The first, Point of Operational Demarcation for Service Connection, was labeled Appendix 10A; The Second, Point of Ownership Demarcation for Service Connection, was labeled Appendix 10B.

Point of Operational demarcation (Appendix 10A)

The summary was reviewed in detail by Task Force members. Comments offered are summarized as follows:

- Large customers may have operating agreements with distributors that outline in more detail the management & operation of equipment at the point of demarcation.
- Option 2 has a high degree of variability, in essence not much less than option 1.
- There should be more details reported in the “Group Discussion” section including discussion of various alternatives.
- The definition of “Operational Point of Demarcation” appearing in the Group Discussion section will be revised to refer to “an isolation point.” rather than the “first isolation point”. Different types of customer classes will also be reflected in the definition.
- The Recommendation section should restate the definitions and should include the requirement that the Operational Point of Demarcation be identified in the Conditions of Supply Document.

Action by R. Lapier: Ron will revise the Summary of Recommendation for the next meeting.

Ownership Point of Demarcation, Appendix 10B

The summary was reviewed in detail by Task Force members. Comments offered are summarized as follows:

- Several members expressed concern regarding the apparent adoption of the property line as the ownership point of demarcation and its implications to customer service & safety and creation of complex transition issues.
- The definition of ownership demarcation has an impact on the Distributors rate base
- Different customer classes may need to have different points of ownership demarcation.
- Existing utility-owned services typically do not comply with the Electrical Safety Code and were not inspected and therefore may not be suitable for transfer to the customer.
- The discussion of standardization of ownership point of demarcation should focus on whether or not there are benefits; much of the task force discussion thus far has identified costs and potential problems. Few benefits have been identified.
- There is need to elaborate on alternatives other than a property line ownership point of demarcation.
- Metering as it relates to point of demarcation was discussed. It was suggested that a comment be added to the summary to indicate that metering is deliberately not mentioned in the summary since the ultimate disposition of metering as a distributor or contestable service has not been resolved.

Action by R. Lapier: Ron will revise the Summary of Recommendation

b. Distributor Obligations

A Summary of Recommendation - LDC's Obligations, prepared by K. Quesnelle, was labeled Appendix 10C and reviewed by the Task Force.

The summary had been revised in accordance with comments received from Task Force members. The wording of several of the sections has been clarified. Members were reminded that the focus of the document is LDC obligations within the context of Connections.

It was noted that the term "LDC" will be replaced with "Distributor" throughout the document to be consistent with the terminology of Bill 35.

The main thrust of this recommendation is that the Distributor is obligated to participate in the Conditions of Supply process. During the discussion members were reminded that the Conditions of Supply Document is broad in scope while this recommendation is specific to Connections.

There was general agreement that the DSC include the issues that are to be standardized and the issues that are variable will be addressed through the Conditions of Supply document. The Conditions of Supply document contains policy direction and technical requirements that communicate connection criteria to the customer. The Conditions of Supply are not construction/design standards.

A lengthy discussion was initiated regarding the content and purpose of the Conditions of Supply document including a discussion of the suitability of the word “supply” in this context.

It was suggested that the wording of the recommendation section should include references to customer connection. Possible wording suggested was as follows:

“In meeting its obligation to connect, the Distributor shall be obligated to maintain, as a minimum, good utility, design, construction and operational practices that incorporate all required electrical safety standards.

That the Distributor be obliged to set forth in a document available to the public all of its Conditions of Supply for customer connection. This document would communicate to the public what the Distributor’s commitments are as well as the customer’s obligations and the conditions for a connection. (The Distributor’s commitments must, at a minimum, meet all obligations of the Distributor’s prescribed by the DSC).”

Action by K. Quesnelle: Ken will revise the Summary of Recommendation.

General: The Chair identified the need to develop the list of criteria that are to be included in the Conditions of Supply document regarding connections. Specific action was not outlined but it is anticipated that the criteria will be developed by the Conditions of Supply Sub Group.

c. Customer Obligations

A Summary of Recommendation - Customer Obligations, prepared by Ken Quesnelle, was labeled Appendix 10D and reviewed by the Task Force. The summary was revised since the previous meeting in accordance with input received from Task Force members.

Members were reminded that this summary should be viewed within the context of Connections. The summary attempts to strike a balance between provision of customer choice and recognition of local conditions. It also attempts to link customer obligations to the requirements of Distributors. Several issues are identified in the Group Discussion section that may be appropriate as Conditions of Supply criteria. Similar to item 5 b above, “LDC” will be replaced with Distributor” to be consistent with Bill 35.

There was general consensus that the DSC should describe, in general terms, the generic obligations of the customer. Distributor Conditions of Supply documents will provide the details of how customers will meet the generic requirements in accordance with local conditions. This could be added as a 4th option in the summary. The wording of the DSC in this regard might take the approach of empowering the Distributor to request certain information from the customer or require customer compliance with certain technical criteria. For example, the DSC might empower a Distributor to “..request drawings & specifications of customer facilities to enable the Distributor to design the service..”

Action by K. Quesnelle: Ken will revise the Summary of Recommendation

d. Process for Connection

A Summary of Recommendation exists and has previously been circulated to the Task Force. No discussion was initiated at meeting # 10.

e. Process for Establishing Charges for Connection

A Summary of Recommendation exists and has previously been circulated to the Task Force. No discussion was initiated at meeting # 10.

f. Standard Voltage Offering

A Summary of Recommendation - Standard Voltage Offering, prepared by Tanya Bodell, was labeled Appendix 10E and reviewed by the Task Force. It is also identified as Final Draft No. 3.

Changes made since the previous meeting were reviewed.

Some members noted that technical feasibility, not just customer willingness to pay is a major factor influencing in a distributor's ability to provide voltages other than those identified in their Conditions of Supply. Significant changes in work practices, equipment, training of personnel, inventory of components for example are required to provide a higher distribution voltage than what is standard for a particular utility.

To address this concern there was consensus that the last paragraph under "Summary of Group Discussion" should include a reference to technical feasibility and personnel issues and be included in the wording of recommendation.

There was considerable discussion regarding the possibility of "gaming" by distributors through understating their ability to provide other voltages or adjusting the timing of system changes such as voltage conversions. In this scenario a distributor might be tempted to charge a customer for the cost of providing 27.6 kV, for example, when the distributor may have had plans for a future voltage conversion. After some discussion it was noted that the scope of this summary deals with the obligation of the distributor proving information regarding its voltage offerings in the context of "lies along" and that complexities regarding possible "gaming" may be better addressed in the area of the distributors obligation to make an offer to connect. It was agreed that a note regarding the "gaming" issue and the need to address it elsewhere will be included in the Summary of Recommendation.

Action by T. Bodell Tanya will revise the Summary of Recommendation - Standard Voltage Offerings for the next meeting.

g. Purpose of Generic Template of Conditions of Supply

A Summary of Recommendation - Purpose of Generic Template for Conditions of Supply, prepared by Tanya Bodell, was labeled Appendix 10F and reviewed by the Task Force. It is also identified as Final Draft No. 4.

Amendments made to the summary since the previous meeting were reviewed. The generic template will be mandatory and as such will be part of the DSC and not simply published as an attachment to the code.

Concern was expressed by some members regarding the requirement that utilities re-write existing Conditions of supply documents to comply with the format of the generic template. Some members agreed that it might be feasible to use the generic template to create an index at the front of existing Conditions of Supply documents to guide customers to the sections of the document that deal with the topics that the DSC directs distributors to address in their Conditions of Supply documents. Other members indicated that the issue is primarily one of formatting which does not represent a major effort.

It was noted that the overriding objective of the generic template is convenience to the customer by providing information in a clear and consistent fashion. Ease of regulatory activities by the OEB, while a consideration, is secondary to customer convenience.

Action by T. Bodell: Tanya will revise the Summary of Recommendation , Purpose of Generic Template for Conditions of Supply for the next meeting.

h. Definition of a Customer

A definition of “customer”, prepared by Rene Gatien and distributed at the August 3, 1999 DSC meeting was labeled as Appendix 10G and reviewed by the Task Force.

Following discussion and several proposed wording changes the final consensus of the group was that the definition of “customer” should read ... *“means a person that has contracted for Connection of a building or a facility”*.

Action by R. Gatien: Rene will revise the definition of “customer”

i. Definition of a Meter

A Summary of Recommendation - Definition of Meter, prepared by Rene Gatien, was labeled Appendix 10H and reviewed by the Task Force.

The term meter is defined in the federal Electricity & Gas Inspection Act, the Market Rules, and the Final Report of the Market Design Committee. It was proposed that the definition from the Final Report of the Market Design Committee be adopted for use in the DSC. This definition is specific to the measurement device and excludes instrument transformers and telecommunication equipment. Members are referred to Volume 4, Chapter 5, Section 5-12 to 5-16 of the Report of the Market Design Committee for insight into the rationale behind the definition.

During the discussion the following points were noted:

- Self contained meters that include PT/CT’s fall within the scope of the proposed definition since the entire unit is sealed by or under the authority of Measurement Canada.
- Due to the limited scope of the definition care must be taken when the DSC is written to ensure that provisions are made for other equipment necessary for measurement of electricity.
- To address the above concern the definition of *“meter installation”* from the Final Report of the Market Design Committee will be included.

Action by R. Gatien: Rene will include a definition for “meter installation” and submit the revised Summary of Recommendation for the next meeting.

j. Future of Load Transfer Arrangements

A Summary of Recommendation - The Need for New Load Transfer Agreements, prepared by Tanya Bodell, was labeled Appendix 10I and reviewed by the Task Force.

The origin of load transfer agreements relates to the previous exclusiveness of utility service territories. Going forward, the nonexclusive nature of distributor service territories may reduce the need for future load transfer agreements. The Summary of Recommendation also indicates that Bill 35 has the effect of requiring both distributors involved in a load transfer agreement to be licensed for the area in which the customer resides. This is presently not being enforced but is not considered problematic due to the interim nature of the licenses that have been issued.

The Retail Settle Code Task Force has expressed the opinion that there is no need for new load transfer agreements. DSC Task Force members noted that load transfers in many areas may complicate the retail settlement process due to lack of sufficient bulk metering and the probability that some load transfer customers may not fit the load profile used by a distributor for the majority of its customers.

A lengthy discussion of load transfers and various scenarios that arise was initiated. The example on page 4 of the Summary of Recommendations is a real example, other situations concerning development of land in the boundary regions between distributors were discussed.

The non-exclusive nature and potential overlap of distributor service territories was identified as an area of concern and confusion that needs to be clarified. Previously utilities could plan and design main feeders with future development in mind. Non exclusive service territories provides no incentive to distributors to plan feeders and distribution stations with the long view in mind. Non exclusivity also raises questions regarding customer confusion and frustration associated with supply outages and response in the same community by two different distributors.

It was noted that in many area of new development a tract of land slated for development may “lie along” the lines of two distributors. Under the Act and the DSC both distributors would have “obligation to connect” but in fact only one distributor will ultimately provide the connection. How this would be resolved is not clear.

Members agreed there is need to better understand the issues of non-exclusive territories and its implications.

Action by T. Bodell and K. Walli Tanya and Kirsten will seek clarifications and interpretations regarding the non exclusivity of distributor licences.

k. Operations and Maintenance Guidelines

This Sub-Group is active. August 10, 1999 Sub-Group minutes have been distributed and are identified as Appendix 10J.

No discussion was initiated.

l. Relationships between Distributors

This Sub-Group is active. August 9, 1999 minutes have been distributed and are identified as Appendix 10K.

No discussion was initiated.

6. Adjournment & Next Meeting

The meeting was adjourned at approximately 3:45 pm. The next meeting of the DSC Task Force is scheduled for September 1, 1999, 9:30 to 3:30 at the offices of the OEB.

Recording Secretary: John O'Neill, MEA

List of Appendices to August 18, 1999 Minutes

- 10A Point of Operational Demarcation for Service Connection
- 10B Point of ownership Demarcation for Service Connection
- 10C Distributor Obligations (Including Minimum Design Standards)
- 10D Customer Obligations
- 10E Standard Voltage Offerings
- 10F Purpose of Generic Template for Conditions of Supply
- 10G Definition of "Customer"
- 10H Definition of "Meter"
- 10I The Need for New Load Transfer Agreements
- 10J August 10, 1999 Minutes of the Maintenance DSC Sub-Committee
- 10K August 9, 1999 Minutes of the Sub-Committee on Relations Between Distributors