

**Minutes of the Distribution System Code Development Task Force
Second Meeting, April 28, 1999, 10:00 a.m. to 4:30 p.m.**

Location: Ontario Energy Board Offices

1. It was agreed to circulate the minute taking amongst members of the Task Force. John Alton was appointed to take today's minutes.

The minutes would be distributed through Shela Chan of the OEB in a timely fashion, in advance of the next meeting.

It was also agreed that minutes of the DSC meetings would not be circulated beyond the committee members, until they were approved at the subsequent meeting.

Comments on Minutes of Previous Meeting

It was suggested that load transfers should be added to the third bullet on page 3.

Jeanne Sole explained that in the fourth bullet of page 3 that "promoting competition" really meant "providing non discriminatory access."

With the noted comments the minutes of the April 16, 1999 meeting were blessed.

2. Bruce Bacon of ECS, and a member of the PBR Rates Task Force made a presentation on work of that Task Force and circulated copies of his prepared overheads. He indicated that he made the same presentation to the Retail Settlements Task Force on April 27, 1999.
 - He indicated there were 4 PBR task forces dealing with rates, a cap mechanism, yardstick competition and implementation issues.
 - The rate handbook first draft should be circulated in the beginning of May 1999 and should be made available for DSC Task Force for reference.
 - The Rates Task Force was suggesting what costs should be tracked, even though they may not appear on customers bills, so the opportunity to unbundle these costs would be more easily facilitated.
 - He indicated that PBR was not discussing connection costs or system expansion but suggested that the rates would only be used to recover normal system costs and any costs above that would require customer contributions.
 - Bruce will take the issue of customer contribution costs back to the Rates Task Force to define the parameters in order to assist the DSC in its deliberations.
 - His Task Force wrestled with the complicated RTP recommendations on losses and suggested that the process was subject to change. The thought to date was that existing losses would be calculated in the rate base and would be subject to performance base improvements.

- He suggested that in the Distribution Rate Structure that if a retailer performed billing services that some distributions charges would be removed. Also that a cost of service study may be required to establish core distribution costs and that capacity related costs may be recovered through a demand charge if the customer has a demand meter.
 - The IMO charge may be used to capture energy costs and transmission charges may capture demand costs.
 - Bruce showed examples of how various customer classes bills might appear. They were trying to keep the bills as simplified as possible.
 - Bruce will take the various rates classes that OHSC has and the typical MEU's rate classes back to his Task Force to ascertain how they will be applied in the new market.
 - A lengthy discussion ensued on the difference between a connection and an expansion and what rate impacts would be permissible (It was suggested that rates would not be increased), the time frame to use to have rates recover upstream costs on system reliability and the types of customer contribution that would be required, the meaning or the obligation to connect and what approvals would be required for expansions.
 - Bruce then presented the next steps – Timeline and was excused with thanks.
3. It was reported that the Implementation Issues Task Force were reviewing customer service standards, reliability standards and compliance and enforcement. Kirsten will arrange for someone from that Task Force to explain their work to date to the DSC at its next meeting.
 4. The DSC Task Force asked to consider what should be in the code, should there be one code, what kind of LDC discretion's should be permitted, the need for provincial consistency, what is required for system reliability.
 - Is it easier to change LDC's conditions of service or change the code and how difficult will it be for the OEB to regulate?
 - Kirsten and Jeanne will consider the compliance issues together with all other codes and Task Forces and OEB staff.
 5. The Task Force requested copies of all available or drafted definitions by all groups in order to fairly interpret or distinguish what the terms mean. The need for consistency can not be overstated.
 6. Jeanne used the flip chart to identify what criteria we should use in addressing the Distribution System Code.
 - Necessary for effective regulation by the OEB
 - Allows flexibility for LDC
 - Short and long term reliability
 - Consumer protection (over arching principle)

- Effective regulation to comply with the Act (over Arching principle)
 - Facilitate non discriminatory access
7. Kirsten reported that B. Hewson had indicated that we were not to deal with DSM for customers, only for LDC's. Energy efficiency initiatives for customers was not within our purview.
8. It was agreed that we should deal with submetering and retail metering and outline conditions for same in accordance with the Electrical Safety Authority and Measurement Canada.
9. Jeanne used the flipchart to identify addition topics for consideration.
- Enhanced services
 - Interruptible programs
 - Obligations to other distributors, load transfers, other distributor connections
 - Submetering
 - Connecting generations
 - Customer obligations (access, room for equipment)
 - Supply conditions
 - Utility property (easements, lines of demarcation)
 - Unauthorized energy use
 - Joint use
 - Street lighting
10. **Priorities**
- Overall Priorities
- Expansions
 - Load transfers
 - Obligation to connect
 - Supply conditions
 - Expansions
 - System Maintenance, upgrades, replacement
 - Customer Obligations
- Timing Priorities
- Meter Reading (consistent with RSC)
 - RTP recommendation on interval meters
 - Information to customers and retailers
 - Definitions – uniform, accounting
11. It was noted that the Task Force needs to confirm that existing contracts would be

grandfathered or that new contracts would be required to move forward.

12. **Approach**

It was suggested that we have a round table discussion on Conditions of Service in the area of Connections, expansions and System Upgrades.

Ron LaPier volunteered to prepare a list of questions for the above and E-mail to committee members prior to the next meeting.

Secretary's Note: Everyone should come prepared to answer all the questions. If you or a designate cannot attend, forward your conditions of Service answers to Kirsten Walli.

13. Kirsten will ask B. Hewson about submetering and the difference between retail access, aggregation and what the licencing requirement might be for apartment buildings, factories or even trailer parks.

14. It was suggested that we spend three meetings dealing with connections, expansions and system upgrades and that we spend two meetings dealing with system maintenance, customer obligations, maintenance plans and customer service requirements.

Jeanne indicated that we need to focus on inputs or outcomes and the results need to measure safety concerns and reliability.

15. Kirsten outline the requirements of the Task Force Chair and called for nominations. Three nominees were put forth and it was agreed that the Task Force would have one Chair and two Vice Chairs. John Alton would serve as the first Chair for May, June and July, Ron LaPier will serve as Chair for August, September and October and Ken Quesnelle will serve as Chair for November, December and January.

16. Kirsten reminded everyone of the importance to advise Shela Chan if members planned to attend the Task Force meetings so the OEB could make the appropriate arrangements. Everyone should respond when they receive the meeting agenda but in all cases, 48 hours notice is preferred.

17. The next two meetings are scheduled for May 13 and May 27 with a 9:30 a.m. start and a 3:30 p.m. finish. Tentatively the next two meetings are scheduled for June 9 and June 23.

18. The next meeting adjourned at 4:30 p.m.

Recording Secretary: John A. Alton, CET