

## **Distribution Access Rule Task Force Minutes of Meeting #4 March 1, 2000**

Attendance list: attached.

Agenda: distributed in advance; copy attached.

The schedule of future meetings was revised: updated schedule is attached

The minutes of Meetings #3 (Feb 16/2000) were approved, subject to the following changes:

- 1<sup>st</sup> page, Marcel as well as Judy accepted responsibility for ...
- page 2, 1<sup>st</sup> para change to "The Task Force agreed to proceed and seek further direction from the Board .."

### **1. Matters Arising from the Minutes**

#### **Letter to the Board**

George Vegh had agreed to prepare draft text for a letter to go to the Board from the Task Force. Due to intervening events, George sent a letter to the Board and Anne Powell on behalf of his clients addressing the same issues. No letter has been prepared to be sent in on behalf of the Task Force.

- The TF agreed that a letter from the TF may not be required. However, it was expected that Anne Powell would attend later in the meeting and the TF would revisit the issue of sending a letter to the Board. (Brian Hewson attended in place of Anne. See below.)

### **2. Committee Reporting**

#### **Report of Committee #2: Customer Transfers**

Jack reported that this committee has not met (awaiting issuance of electricity Retail Settlement Code). The next meeting is now scheduled for March 8.

#### **Report of Committee #4: Settlements and Prudential Requirements**

Marcel reported that the first meeting was on Feb 16. He reviewed the discussion based on the minutes. (See minutes for full details.)

Key points that emerged include:

- DAR differs from electricity RSC in that no settlements are needed in respect of distribution services. Electricity settlements focus primarily on the competitive commodity. The commodity is not an issue for the DAR and complexity of settlements with respect to the commodity are less in gas than electricity.
- Billing issues were key issues addressed by the committee

- SORs will be reviewed at the next meeting of the committee

### **Report of Committee #6: Emergency Supply Planning**

The first meeting was truncated to about 15 minutes on Feb 23. Materials are now being prepared for the next meeting (March 21). Judy is trying to arrange to have Scott Campbell attend to provide a briefing on current ECMAP arrangements,

See the minutes of Committee #6, meeting #1 for full details (not much more).

### **Report of Committee #9: Distribution Connection**

Dwayne summarized issues that were addressed around EBO-188.

- There was agreement not to expand the LDC obligation to connect
  - There is an obligation, subject to economics, where a customer can be served off an existing main
  - There is no obligation where a customer cannot be served off an existing main.

Discussion:

- NRG indicated that during a recent rate case, it met with Board Staff to discuss the applicability of EBO-188 to NRG. NRG agreed to adopt the principles of EBO-188, complying with the terms in principle, although the actual application involves certain exceptions for practical reasons.

### **Report of Committee #3: Distribution Services**

Dwayne summarized progress at meetings #2 and #3, which concluded with approval of several SORs to be brought forward to the TF at this meeting. Copies are attached, dated March 1/00. These were presented. TF comments follow for each SOR.

#### 3.1 Right to Access to Distribution Services

Discussion:

- Should marketers have a right to be the customer for distribution services (and resell those services to their retail customers)?
  - An SOR needs to be added to address this point. George Vegh to prepare a first draft for the next meeting of Committee #3 (March 21) and circulate in advance of the meeting.

#### 3.2 Conditions of Access

Discussion:

- The utilities' obligation is restricted to ensuring safety "upon activation"/
- Need additional conditions to cover marketer access to distribution services.

A further issue was identified: Should there be standardized policies for credit/prudential requirements, and if so, should they

- Be limited to common principles that may differ in details of implementation, or
- Be common in terms of the details as well?
- It was agreed that Committee #4 should review the existing policies with respect to both customers and marketers. There should also be a cross-check against the approach adopted in the electricity RSC.

It was also noted that the Committee concluded that a Customer Connection SORs is needed indicating that a volumetric increase that requires an upgrade should be treated by the same rules as new connections. In this case, service from an existing main is not feasible.

### **3. Scope of issues Addressed by the DAR Task Force**

Brian Hewson joined the group to continue the discussion of this issue. He noted that:

- Discussion of the design and pricing of system gas is a rate case issue and is beyond the scope of the DAR, that the DAR should focus on access conditions
- the TF is expected to deal with unbundling focusing on services related to gas supply; i.e., unbundling the commodity from the rest of the services included in bundled distribution services.
- The TF should focus on issues related to unbundled distribution of supply and establishing consistency across LDCs, such as:
  - Who provides the bill (LDC, retailer or split)
  - Consistent data transfer protocols
  - Customer transfer issues and processes
  - the TF should consider the available time and ensure that the necessary access rules are discussed and recommendations prepared.

A member raised the question as to whether consideration should be given to establishing principles for a wholesale distribution rate. Members had strong views on both sides of this issue, but agreed that, at most, the TF could address principles and define what wholesale distribution service might be. It was agreed that pricing would be a rate case issue.

It was suggested by a member that if the TF is dealing with principles of unbundling (e.g., wholesale distribution service), it may be appropriate to circulate a letter more broadly, or engage in other outreach, to ensure that all interested parties are aware of the issues being addressed and have an opportunity to be heard.

With respect to wholesale distribution service, a member commented that the TF should focus on retailer billing not wholesale issues

- This issue may be inextricably linked to rate structure issues in that the design of a wholesale distribution service tariff would have rate implications. E.g.,
  - Removal of bad debt allowance (so marketers take the risk)

- Removal of billing costs and customer costs would raise stranded cost issues.
- It was also noted that the issue of unbundled metering was deferred by the Board in the electricity context, despite requests to address it immediately.

Brian emphasized that the DAR TF must first focus on addressing rules in relation to existing services, in particular to develop consistent standards across the utilities. (e.g. RTS rules, time frames, etc.) It is important to provide these rules in the expected time frame to allow a draft Rule to be prepared that permits unbundling of the sale of gas.

#### **4. Next Steps**

Members were asked to draft specific suggestions for issues related to unbundling of the existing bundled distribution services that they believe should be address by the TF.

- These should be forwarded to John (jtodd@econanalysis.ca)
- John will collate the suggestions and distribute the suggestions to all members and Board Staff.
- Board Staff will provide guidance on their perspective of which of these issues should be addressed. Some members requested that Anne Powell the next meeting of the TF.
- Prior to the committee meetings on March 7, the group will review the proposed issues, in light of Board Staff comments, and establish new committees, as deemed appropriate, and time frames for addressing these issues.

In terms of scheduling of future meetings, it was suggested that:

- Committee #5 follow #4 on the 7<sup>th</sup>.

Committees #1 and #3 had additional SORs that were not reviewed as each have further SORs that are outstanding. The SORs for these committees will be completed and circulated for comment by email. Members are asked to review and provide comment outside of formal meetings. It is hoped that each committee can bring the full set of SORs forward to the Task Force without further committee meetings.

The meeting was adjourned for lunch at 12:30.

**ATTENDANCE**  
**Distribution Access Rule Task Force**  
**Meeting #3 February 16, 2000**

Allan, Judy	Enbridge
Blake, Bill	NRG
Goldsilver, Eric	MEU coalition
Howell, Brian	IGUA
Litt, Kathi	OEB Staff
Petruzzella, Nick	Six Nations
Quinn, Dwayne	Kitchener
Reghelini, Marcel	Union
Schoenmakers, Jack	OESC
Schumann, Helmuth	MEST
Todd, John	OEB Facilitator
Vegh, George	CEED
Villanueva, Gerry	DEML

**Meeting Schedule as of March 2, 2000**

- March 7      Committee 4 - Settlement and Prudential Requirements (Meeting 2)  
9:30 am - 12:30 pm
- Committee 5 - Provision of Consumer Information (Meeting 1)  
12:30 - 4:00 pm
- March 8      Committee 2 – Customer Transfer  
9:30 am - 12:30 PM (Meeting 2)
- Committee 8 - Compliance and Dispute Resolution (Meeting 1)  
Committee 7 - Distributor/Retailer Relations (Meeting 1)  
12:30 - 4:00 pm
- March 21     Committee 6 – Emergency Supply Planning (Meeting 1)  
9:30 am - 12:30 PM
- Committee 9 – Distribution Connection (Meeting 2)  
Committee 3 – Distributor Services (Meeting 4)  
12:30 - 4:00 pm
- March 22     Task Force Meeting  
9:30 – 12:00
- Committee 2 – Customer Transfer (Meeting 3)  
12:30 am - 3:30 PM
- March 28     Committees 4 and 5 (Meeting 2)  
9:30 - 12:00
- Committees 7 and 8 (Meeting 2)  
12:30 - 3:30
- March 29     Committee Meetings, morning and afternoon
- April 4        Committee Meetings, morning and afternoon
- April 5        Task Force Meeting, morning  
Committee Meeting, afternoon
- April 11      Committee Meetings, morning and afternoon
- April 12      Committee Meetings, morning and afternoon

