

VECC INTERROGATORY #20

INTERROGATORY

Reference: The Report, page 8, lines 7-10

Preamble: "it is prudent for any distributor to take into account this uncertainty and expand facilities only when the need for additional capacity is imminent"

- a) Please reconcile this approach to system planning with the requirement, under section 3.4.1 of the Distribution System Code, that "a distributor shall continue to plan and build the distribution system for reasonable forecast load growth".

RESPONSE

Section 3.4.1 of the Distribution System Code deals with service quality, reliability and performance aspects of system planning more than it does with expansions to serve new customers. With respect to the latter requirement, Section 3.4.1 directs distributors to plan and build for reasonable load growth. In determining what constitutes reasonable growth, the distributor must, among other things, take into account the timing location and size of the customer connections.

The Code does not oblige a distributor to plan and build to serve all expected growth in its licensed area. There must be a balance of potential growth with actual connections. It would not be prudent to build facilities for load that may not materialize. Where the new customers are connected by the incumbent distributor or by an alternate distributor using an embedded distribution connection to the incumbent's distribution system, there is no impact on the planning requirement.

