

BOARD STAFF INTERROGATORY #5

INTERROGATORY

Who should have the obligation to serve customers in an overlapping service area?  
Could a scenario arise where more than one distributor has this obligation?

RESPONSE

The incumbent distributor's obligation to serve is not diminished in any way by allowing another licensed distributor to have an overlapping service area. If anything, the obligation to connect and serve customers would be augmented, since the second distributor would have the same obligation as the incumbent. Rather than being a problem, the duplicate obligation to provide an offer to connect in overlapping areas would benefit customers who could request offers to connect from both distributors and select the distribution service that provides the most value to the customer. Both distributors would be required by either s. 28 of the *Electricity Act* or the Distribution System Code to respond to a request to connect with an offer.

When assessing the obligation to serve, it is important to note that this duty is not an unconditional obligation and that certain conditions must be met such as the Board's regulatory requirements and safety codes before a customer can be connected. It is also important to note that the obligation to respond to a request to connect can be triggered directly by section 28 of the *Electricity Act*, when the customer's building "lies along" the distributor's distribution line, or indirectly by the obligation to provide an offer to connect as a condition of the distributor's license to comply with the Distribution System Code.

Since both distributors have the same obligation to provide an offer to connect regardless of whether they have distribution lines adjacent to the customer, it is the customer who decides, by agreeing to accept the terms in that distributor's offer, which distributor has the obligation to connect. So while the obligation to provide an offer to connect may be duplicated, only one distributor will have the obligation to connect as determined by the customer's written agreement to accept that distributor's offer.

