



March 6, 2015

**BY COURIER & RESS**

Ms. Kirsten Walli, Board Secretary  
ONTARIO ENERGY BOARD  
2300 Yonge Street, 26<sup>th</sup> Floor, P.O. Box 2319  
TORONTO, ON M4P 1E4

**Re: Board File No. EB-2015-0006  
Kitchener-Wilmot Hydro Inc. – Long Term Load Transfers**

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Dear Ms. Walli:

On February 20, 2015, the Ontario Energy Board (the “Board”) gave notice of proposed amendments to the Distribution System Code under Section 70.2 of the *Ontario Energy Board Act, 1998*. The Board invited comments on the amendments from interested parties, including Kitchener Wilmot Hydro Inc. (“KWHI”).

KWHI supports the Board's proposed amendment to the DSC to eliminate the remaining load transfer arrangements between electricity distributors. However, the proposed amendment makes the assumption that the geographic distributor does not have assets to supply the load transfer customer. This is not always the case. There are a number of LTLT customers that are supplied by distribution poles and transformers that are owned by the geographic distributor but connected to the distribution system of the physical distributor. In such a case, for the geographic distributor to transfer the load transfer customer to the physical distributor, there will need to be asset transfers. The amendments should detail or make it clear that the geographic distributor is responsible for transferring assets to the physical distributor that are in good condition and meet current environmental regulations (e.g. transformers should not contain PCB). The physical distributor should have the rights to perform an asset condition assessment and negotiate with the geographic distributor the fair value of any assets being transferred. The physical distributor should also have the rights to reject assets that do not meet its standards.

KWHI notes that the Board believes the proposed code amendments will result in benefits that exceed any additional costs. This assumption is dependent on the configuration of each load transfer service. Where there are no asset transfers associated with the load



transfer, the cost to the physical distributor will be minimal, typically only metering cost. Where there are asset transfers and replacements involved, the cost to acquire and/or upgrade the assets can be substantial in comparison to the benefits to be gained by either the LT customer or the physical distributor. KWHI would expect to recover these costs through distribution rates in a future rate application.

KWHI thanks the Board for the opportunity to review and comment on the proposed amendments.

Respectfully submitted,

*Original signed by*

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