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**Susan Frank**

Vice President and Chief Regulatory Officer  
Regulatory Affairs

BY COURIER

January 3, 2012

Ms. Kirsten Walli  
Secretary  
Ontario Energy Board  
Suite 2700, 2300 Yonge Street  
P.O. Box 2319  
Toronto, ON.  
M4P 1E4

Dear Ms. Walli:

**EB-2011-0118 – Hydro One Networks’ Request for Exemption from Section 6.2.6 & 6.2.7 of the Distribution System Code – Hydro One Networks’ Compliance Report**

As stipulated in Ontario Energy Board’s Order #1 on December 14, 2011, Hydro One Networks Inc (“Hydro One”) is filing a compliance report that reflects all applications received on or after the date of Decision and Order in this proceeding (October 11, 2011) and up to and including November 30, 2011. The compliance report is attached.

Sincerely,

ORIGINAL SIGNED BY SUSAN FRANK

Susan Frank  
(attach)

## **Hydro One Networks DSC Exemption**

### **EB-2011-0118**

#### **Compliance Report - October 11 to November 30, 2011**

##### **MONTHLY HIGHLIGHTS UPDATE**

Group A - Indirect connections that do not require a site visit

- 99.5% compliance
- 5 day average handle time

Group B - Indirect connections requiring a site visit

- 82% compliance
- 17 day average handle time

Group C - Direct connections

- 94% compliance
- 20 day average handle time

Hydro One is developing and implementing various process improvement initiatives outlined in the Compliance Plan. Hydro One anticipates these initiatives will enhance its reported compliance and support Hydro One's efforts to provide its customers with timely project status updates. Virtual site assessment capability will be launched across the province in the New Year and it is expected this initiative will assist with streamlining the process and thereby improving compliance achievement.

There were 556 incomplete applications withdrawn from Group A due to customer delays in receiving a complete application. Hydro One has changed its process to allow a proponent 14 days from the time an incomplete application is identified to re-submit. If the proponent fails to meet this timeline, the application is withdrawn. If the proponent wishes to proceed with the application at a later date, a new application is required.

In order to improve efficiency at the front end of the application process, Hydro One recently launched the new web-based Micro Embedded Generation Connection Application ("Form C"). Hydro One anticipates that this web-based Form C will positively impact Hydro One's performance by significantly reducing manual data-entry of the application forms and thereby reducing the average handle time to confirm if an application is complete. There will be a transition period where applications will be accepted via fax, mail and email, enabling customers to become familiar with the new application process.

As forecasted in the Compliance Plan, a decrease in the volume of applications is noticeable in mid-November due to the FIT Program Review. On October 31, 2011, the Ontario Power Authority ("OPA") commenced the review and announced that the OPA would not process applications until the review was completed.

**TABLE 1 – VOLUME OF APPLICATIONS AND COMPLIANCE STATUS**

Type of Connection	Total Projects	Offers to Connect		Refusals		Under Review	
		C	N/C	C	N/C	w/in time	N/C
15 days Indirect <sup>1</sup>	1052	447	0	579	5	21	0
15 days, Indirect & site visit	532	41	184	92	1	118	96
30 days, Indirect & site visit	532	168	57	93	0	178	36
60 days, Direct <sup>2</sup>	997	107	21	213	0	619	37

"C" indicates compliant; "N/C" indicates non-compliant

**TABLE 2 – APPLICATION HANDLE TIMES (# OF DAYS)**

Type of Connection	Average	Maximum	Minimum
Indirect	5	26	1
Indirect & site visit	17	46	2
Direct	20	90	1

**TABLE 3 – APPLICATIONS NO LONGER BEING PROCESSED**

Type of Connection	Incomplete	Withdrawn	Expired
Indirect (Group A)	130*	556	314
Indirect & site visit (Group B)		12	32
Direct (Group C)	39	160	59
Total	169	728	405

\* As the applications were incomplete Hydro One was not able to determine if a site visit was required.

**TABLE 4 – CONNECTION COMPLIANCE STATUS**

Total Projects	Connections Made		
	C	N/C	Mutual Deferral
661	537	54	70

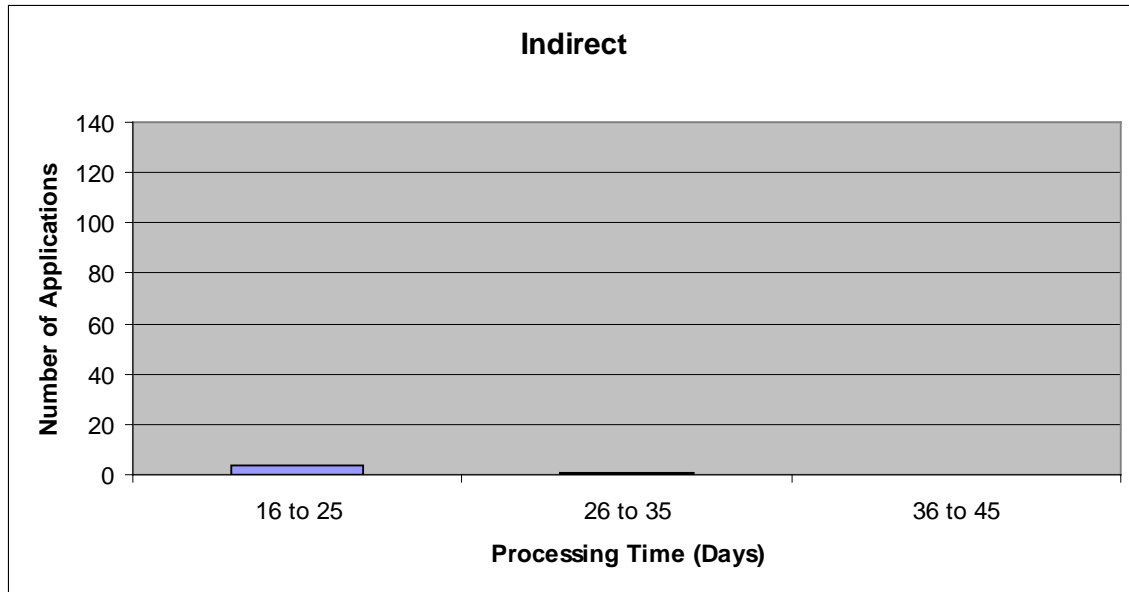
<sup>1</sup> Indirect: Typical Parallel Metering Connection – Gang Meter Base or Direct Connection to Transformer

<sup>2</sup> Direct: Stand-Alone Connection

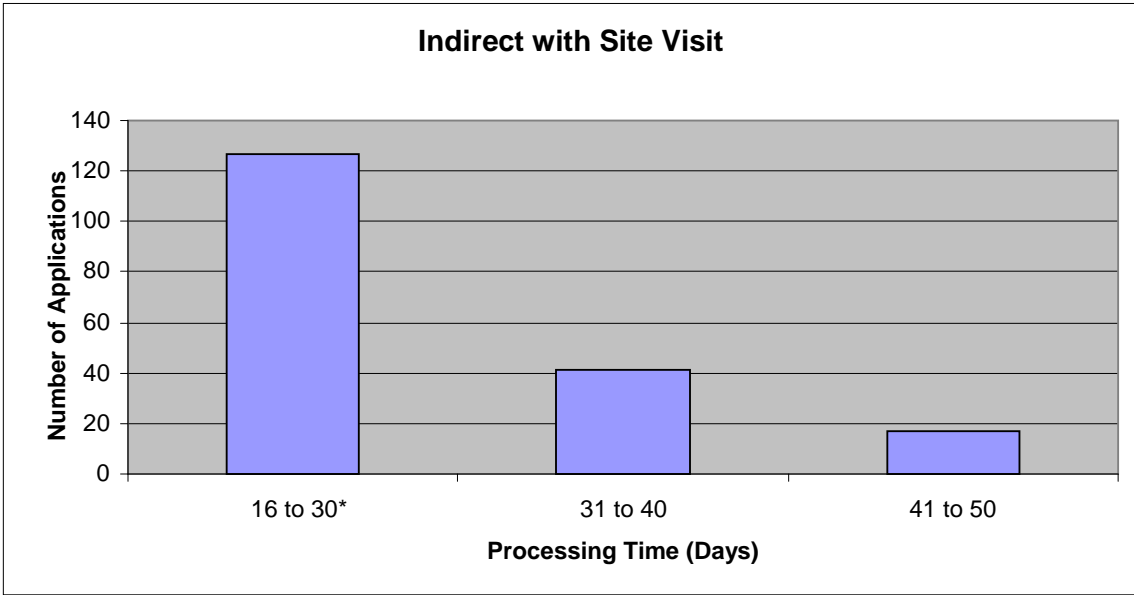
**TABLE 5 – VOLUME OF APPLICATIONS RECEIVED BY WEEK**

<b>Week Ending</b>	<b>Applications Received</b>
10/16/2011	414
10/23/2011	511
10/30/2011	472
11/6/2011	472
11/13/2011	426
11/20/2011	320
11/27/2011	339

**GRAPH 1 – DATE GROUPINGS OF LATE APPLICATIONS OF INDIRECT CUSTOMERS FOR THE PERIOD OCTOBER 11 TO NOVEMBER 30, 2011**



**GRAPH 2 – DATE GROUPINGS OF LATE APPLICATIONS OF INDIRECT CUSTOMERS THAT REQUIRE A SITE VISIT FOR THE PERIOD OCTOBER 11 TO NOVEMBER 30, 2011**



\* Compliant with the provisions of the Exemption

**GRAPH 3 – DATE GROUPINGS OF LATE APPLICATIONS OF DIRECT CUSTOMERS FOR THE PERIOD OCTOBER 11 TO NOVEMBER 30, 2011**

