

EB-2011-0118
CDM Exemption
Hydro One Networks' Undertaking Responses
ONLY HYDRO ONE UNDERTAKINGS

<u>Undertaking</u>	<u>Description</u>	<u>Filed Date</u>	<u>Note</u>
J1.1	TO PROVIDE NUMBERS OF NON-COMPLIANT APPLICATIONS REQUIRING AND NOT REQUIRING SITE ASSESSMENTS	August 11, 2011	
J1.2	TO PROVIDE STAFFING COUNTS TO PROCESS MICROFIT APPLICATIONS AS AT MAY 2010, SEPTEMBER 2010, NOVEMBER 2010, FEBRUARY 2011 AND AS CLOSE TO TODAY'S DATE AS POSSIBLE; AND PROVIDE A DESCRIPTION, WITHIN THE TIMELINE WHEN AUTOMATION WAS ADDED, AND WHAT IMPACT HYDRO ONE PERCEIVES IT TO HAVE HAD ON REQUIREMENTS FOR INCREASED STAFFING COUNTS.	August 12, 2011	
J1.3	TO PROVIDE A BREAK-OUT OF NON-COMPLIANCE ASSOCIATED WITH CUSTOMER-DRIVEN ISSUES VERSUS NON-COMPLIANCE STRICTLY ON THE HYDRO ONE SIDE FOR 6.2.7 SINCE MAY OF 2011.	August 11, 2011	
J1.4	TO PROVIDE ASSESSMENT OF THE IMPACT OF AN ANNOUNCEMENT FOR CFIT LAUNCH ON THE NUMBER OF APPLICATIONS ANTICIPATED TO BE RECEIVED.	August 11, 2011	
J1.5	TO PROVIDE DATES THAT EACH OF THE FOLLOWING MITIGATION MEASURES WERE IMPLEMENTED: SCREENING TOOL, CUSTOMER COMMUNICATION, WORK PROGRAM MANAGEMENT AND PRIORITIES	August 12, 2011	
J1.6	TO PROVIDE COPY OF NOVEMBER 25, 2010 LETTER TO THE OEB, DISCLOSING NON-COMPLIANCE.	August 11, 2011	
J1.7	TO PROVIDE ANSWER AS TO, OF THE 6,500 OFFERS TO CONNECT, HOW MANY WERE INDIRECT AND HOW MANY WERE DIRECT.	August 11, 2011	
J1.8	TO PROVIDE DATE OF AUTOMATED IMPLEMENTATION OF SCREENING TOOL, AND INDICATE WHICH STAKEHOLDERS WERE CONSULTED BY HYDRO ONE.	August 12, 2011	
J1.9	TO PROVIDE PERCENTAGE OF APPLICATIONS TO HYDRO ONE THAT HAVE BEEN REFUSED CONNECTION SINCE SCREENING TOOL WAS FIRST IMPLEMENTED.	August 12, 2011	
J1.10	TO PROVIDE NUMBER OF PROJECTS RE-SCREENED SINCE THE PROCESS WAS IMPLEMENTED.	August 12, 2011	
J1.11	TO PROVIDE A BREAKDOWN OF THE 4,265 NUMBER BY DATES, HOW MANY RECEIVED REFUSAL AND HOW MANY RECEIVED AN OFFER TO CONNECT, BROKEN DOWN BY PARALLEL AND STANDALONE	August 12, 2011	
J1.12	TO PROVIDE DATE GROUPINGS OF LATE APPLICATIONS	August 12, 2011	

1 **UNDERTAKING**

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3 **Undertaking**

4 Applications that require a site visit that were not issued an offer/rejection within the
5 timelines (15/60) days that: (a) required a site visit and (b) did not require a site visit.

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7 **Response**

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9 The total number of non-compliant projects as of July 29, 2011 is 502. These projects are
10 further broken down into those that:

- 11
12 1. Require a site visit – 355
13 2. Do not require a site visit – 147

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15 This breakdown is based on the most recent compliance snapshot with respect to Section
16 6.2.6 of the Code, and is a reasonable proxy for the foreseeable future, assuming that the
17 nature and configuration of generation connection requests remains consistent.

UNDERTAKING

Undertaking

TO PROVIDE STAFFING COUNTS TO PROCESS MICROFIT APPLICATIONS AS AT MAY 2010, SEPTEMBER 2010, NOVEMBER 2010, FEBRUARY 2011 AND AS CLOSE TO TODAY'S DATE AS POSSIBLE; AND PROVIDE A DESCRIPTION, WITHIN THE TIMELINE WHEN AUTOMATION WAS ADDED, AND WHAT IMPACT HYDRO ONE PERCEIVES IT TO HAVE HAD ON REQUIREMENTS FOR INCREASED STAFFING COUNTS.

Response

Business Customer Centre (BCC)

Staff Count dedicated to microFIT projects - BCC

Date	May 2010	Sep 2010	Nov 2010	Feb 2011	Apr 2011	July 2011
New Hires	1	0	0	1	14	0
Full Time	16	17	17		17	31
Part Time	0	0	0	1	15	1
Total Staff	16	17	17	18	32	32
BCC Overtime Hours	70	300	670	1100	1600	0

Note:

Staff increase in May is based on number of staff of which portion is part-time with the ability to flex to full-time if required.

The above staff count is based on month end numbers.



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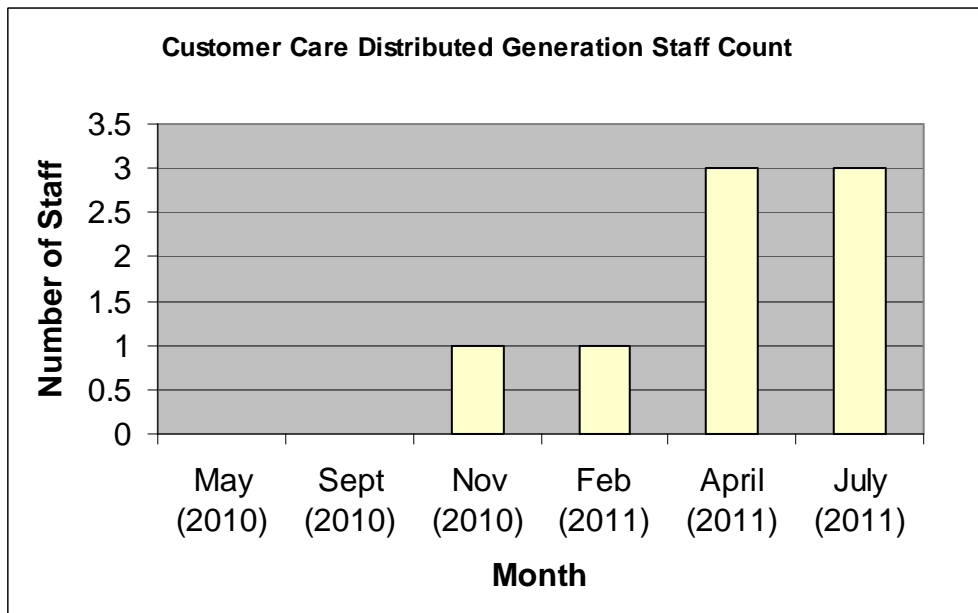
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Customer Care – Distributed Generation

Staff Count dedicated to microFIT projects – DG Team

Date	May 2010	Sep 2010	Nov 2010	Feb 2011	Apr 2011	July 2011
Staff	0	0	1	1	3	3

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1 **Customer Operations**

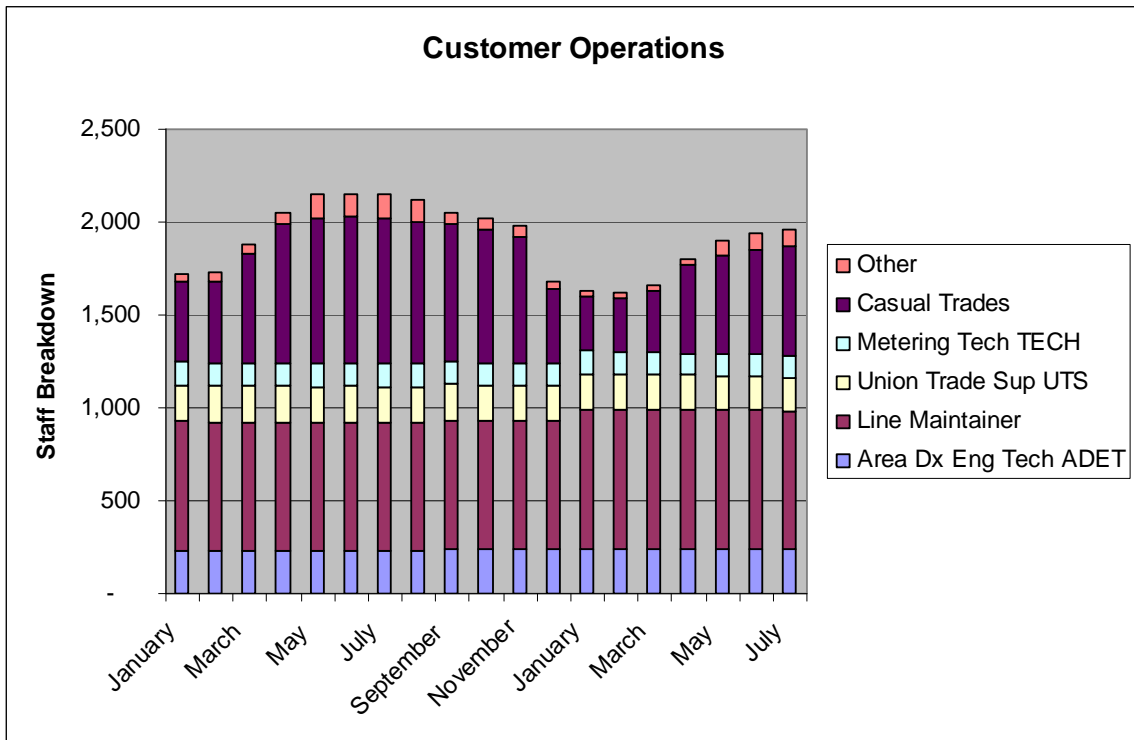
2 Staff Count

Customer Operations

Date	May 2010	Sep 2010	Nov 2010	Feb 2011	Apr 2011	July 2011
Staff	3935	3820	3757	3107	3571	3824
Overtime Hours	3588	4638	3050	2554	3058	N/A

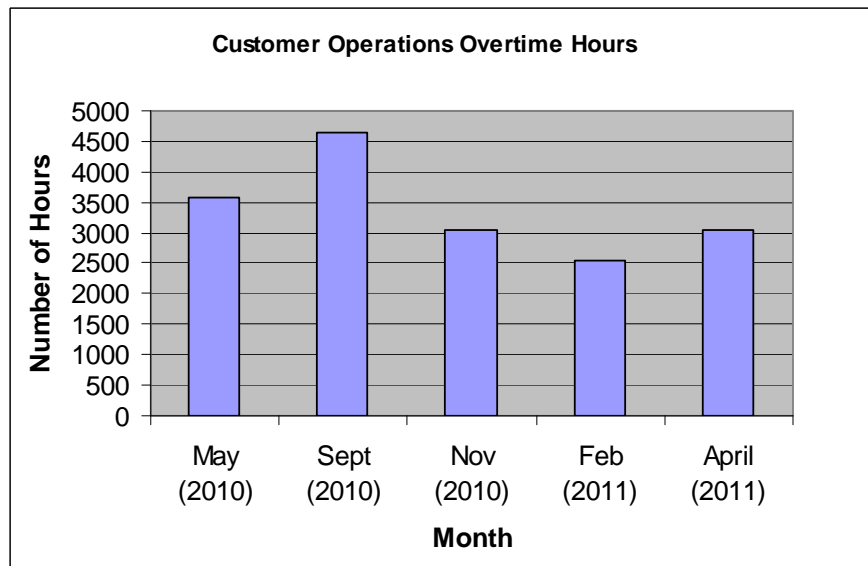
3 **Note:** Casual Trades is comprised of Hiring Hall Line Maintainers, Data Collectors and Laborers

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1 **Key Automations:**

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3 • November 2010: Automation of the release of projects to the field. Without this
4 automation, an additional 1.5 regular full time staff would be required.

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6 • June 2011: the Capacity Calculator tool helped to streamline the processing of
7 applications at the front end, and reduced the overall handle time. However, the
8 specific impact it had on requirements for increased staffing counts cannot be
9 determined as this would depend on the fluctuating nature of application volumes.

1 **UNDERTAKING**

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3 **Undertaking**

4 A breakdown of non-compliance with section 6.2.7, by customer requested delays and by
5 outstanding service conditions. For the months of May, June and July 2011.

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7 **Response**

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9 The total number of project that exceeded the 5 day timeline to connect stipulated in
10 section 6.2.7, categorized as requested in the undertaking is as follows:

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	<u>May 2011</u>	<u>June 2011</u>	<u>July 2011</u>
Connected within Timelines	364	334	327
Customer Requested Delay	82	66	53
Outstanding Service Conditions ¹	44	75	66
Total Delayed	126	141	119

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14 Note 1: Service conditions could be an obligation on Hydro One or the Customer.

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Undertaking

What is Hydro One's assessment of the volume of applications and the impact on Hydro One if the OPA were to launch the C-FIT program.

Response

In the first six months of C-FIT program launch Hydro One anticipates a larger volume and then forecasts the volume to subside. Therefore, Hydro One's forecast is 700 per month during the first six months and approximately 400 - 500 per month thereafter.

UNDERTAKING

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Provide the dates that each of the following mitigation measures were implemented:

1. Screening Tool
2. Customer Communication
3. Work Program Management and Priorities

Response

1. Screening Tool

In October 2010, a manual but Excel-based screening tool was developed and implemented. The tool was a stand-alone application that required data input for each screening. Until then, the company did not have a standard screening tool for assessing micro-embedded generator connection proposals. Minor improvements were made to the stand-alone application in December 2010.

In June 2011, the screening tool was further automated and integrated to retrieve information from the Hydro One databases containing the required information.

In June 2011, the screening tool was also made available online for customers to use themselves.

2. Customer Communication

In December 2010, Hydro One started proactively informing customers that there would be delays in processing their applications. A template of the letter is provided as Attachment 1 to Undertaking J1.5.

3. Work Program Management Priorities

In November 2010 Hydro One automated releasing work packages to the field. This was previously done manually by staff.

In February 2011 work program management instructed staff to prioritize DG connections above all other work other than power restoration and emergencies.

In May 2011, clarification was provided to field staff regarding compliance with section 6.2.7 of the Distribution System Code, clarifying the distinctions between the requirements of section 7.2.1 and 7.2.2 which apply to load connections, and section 6.2.7 for micro-embedded generation.

In May 2011, Hydro One made modifications to databases to improve tracking capabilities of projects through the connection process.

IMPORTANT INFORMATION

Re: Processing of your microFIT application

Dear Valued Customer,

Thank you for your interest in launching a microFIT renewable energy project.

The tremendous success of the Ontario Power Authority's (OPA) microFIT program confirms that Ontarians clearly want to play an important role in connecting clean and renewable sources of power to the electricity grid.

The number of project applications received to date by the OPA has far surpassed expectations.

Your microFIT project application is being processed by Hydro One staff, but due to application volume, we regret it is taking longer than expected. At this time, we are unable to provide you with a response to your application. We are working as quickly as we can and will provide you with a response, either "yes" or "no", once we process your application.

We remind all applicants to not purchase equipment for your project until you receive and accept an Offer to Connect from Hydro One. We will contact you directly when we have further information.

We appreciate your patience.

Sincerely,

Business Customer Centre

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UNDERTAKING

Undertaking

TO PROVIDE THE NOVEMBER, 2010 LETTER

Response

Please refer to Attachment 1

Toronto, Ontario M5G 2P5
www.HydroOne.com

Cell: (416) 258-9383
Susan.E.Frank@HydroOne.com

Susan Frank
Vice President and Chief Regulatory Officer
Regulatory Affairs



BY COURIER

November 25, 2010

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

Dear Ms. Walli:

Compliance with Section 6.2.6 of the Distribution System Code

Hydro One Networks Inc. (“Hydro One”) is informing the Board of the current status of its “offers to connect” under section 6.2.6 of the Distribution System Code (DSC), and its plans to comply with those requirements.

Section 6.2.6 requires distributors, to, “within 15 days of receiving [an application for the connection of a micro-embedded generation facility to the distribution system], make an offer to connect or provide reasons for refusing to connect the proposed generation facility”.

Hydro One’s understanding is that about 22,000 applications have been made to the Ontario Power Authority’s (“OPA’s”) MicroFIT program. Approximately 16,000 of these are expected to propose connections to Hydro One’s Distribution system.

About 7000 generator proponents have already applied to Hydro One. About 4,400 applicants have valid offers to connect. Of the 7,000 applications, about 1,300 applications have been withdrawn, placed on hold by the customer, or have expired. About 600 proponents who have applied to Hydro One Distribution for connection have not been informed of their connection status within the required period and therefore Hydro One finds itself in non-compliance with section 6.2.6.

Hydro One has recently implemented remediation plans, which involve process changes and a “screening tool” to more expeditiously assess those connections that can be accommodated at this time. These will help Hydro One identify any proposals that require upgrades to the distribution or transmission system in order to connect generators. Specifically, these measures will allow Hydro One

to process the large volume of connection requests by identifying those that are eligible to connect (no mitigation measures required) and those that are not, so that Hydro One can make offers to connect, or, if necessary, provide reasons for refusing to connect the facility. Accordingly, Hydro One expects to comply with section 6.2.6 in the near future.

Hydro One takes its regulatory obligations seriously, and remains committed to complying with them while supporting the connection of renewable energy generators in its service area. Hydro One will advise affected proponents of the status of application and will also keep the OEB apprised of any changes that may arise.

Sincerely,

ORIGINAL SIGNED BY SUSAN FRANK

Susan Frank

UNDERTAKING

Undertaking

Of the 15,630 total projects (Reference: EB-2011-0118, Exhibit K1.1) that have applied to Hydro One as of July 29, 2011 please provide the number of projects by direct and in-direct connection type with the following categorization:

1. Projects that received an offer to connect.
2. Projects that received a rejection.
3. Projects that are still being processed.

Also, provide a breakdown of the number projects that received an offer or a rejection, by how many were completed within the prescribed timeline and how many were not completed within the prescribed timeline and by direct and in-direct connection type.

Response

	<u>In-direct (15 days)</u>	<u>Direct (60 days)</u>	<u>Total</u>
Offer to Connect	8,585	1,858	10,443
Rejected	2,681	1,488	4,169
Being Processed	411	607	1,018
Total	11,677	3,953	15,630

	<u>Issued With timeline</u>	<u>Issued Exceeded timeline</u>	<u>Total</u>
Offer to Connect or Refusals			
In-direct	8302	2964	11,266
Direct	2045	1301	3,346

1 **UNDERTAKING**

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5 TO PROVIDE DATE OF AUTOMATED IMPLEMENTATION OF SCREENING
6 TOOL, AND INDICATE WHICH STAKEHOLDERS WERE CONSULTED BY
7 HYDRO ONE.
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10 **Response**

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12 A portion of the response to Exhibit J1.5 is repeated below for completeness.

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14 In October 2010, an Excel-based screening tool was developed and implemented. The
15 tool was a stand-alone application that required data input for each screening. Until then,
16 the company did not have a tool for assessing micro-embedded generator connection
17 proposals, however Hydro One did perform impact assessments. Minor improvements
18 were made to the stand-alone application in December 2010.

19
20 In June 2011, the screening tool was further automated and integrated to retrieve
21 information from the Hydro One databases containing the required information. In June
22 2011, the screening tool was also made available online for customers to use themselves.

23
24 The screening criteria and the development, implementation and automation of screening
25 tool were not stakeholdered. However, the development of criteria and the need for these
26 criteria was brought to the attention of Ontario Energy Board Staff and the Ontario Power
27 Authority.

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The percentage of applications that have been refused a connection since the screening tool was implemented.

Response

The screening tool was first used in October 2010. The percentage of applications that have received a refusal since then is 38%.

1 **UNDERTAKING**

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3 **Undertaking**

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5 Of the projects that were initially screened and rejected. How many were rescreened and
6 then provided an offer to connect?

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8 **Response**

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10 As of August 8, 2011, there were 1,537 capacity constrained projects that were
11 rescreened due to offers to connect expiring. Of that number, 154 (10%) passed
12 rescreening and received an offer to connect.
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UNDERTAKING

Undertaking

Provide a breakdown of the 4,265 number (Reference: EB-2011-0118, Exhibit K1.1) by dates, how many received refusal and how many received an offer to connect, broken down by parallel (in-direct) and stand-alone (direct).

Response

January 31, 2011

	<u>Offer to Connect</u>	<u>Refusal</u>	<u>Total</u>
In-direct (15 days)	1588	838	2426
Direct (60 days)	719	434	1153
Total	2307	1272	3579

February 28, 2011

	<u>Offer to Connect</u>	<u>Refusal</u>	<u>Total</u>
In-direct (15 days)	1813	876	2689
Direct (60 days)	792	447	1239
Total	2605	1323	3928

March 31, 2011

	<u>Offer to Connect</u>	<u>Refusal</u>	<u>Total</u>
In-direct (15 days)	1940	895	2835
Direct (60 days)	831	447	1278
Total	2771	1342	4113

April 30, 2011

	<u>Offer to Connect</u>	<u>Refusal</u>	<u>Total</u>
In-direct (15 days)	1998	903	2901
Direct (60 days)	847	447	1294
Total	2845	1350	4195

May 31, 2011

	<u>Offer to Connect</u>	<u>Refusal</u>	<u>Total</u>
In-direct (15 days)	2039	905	2944
Direct (60 days)	854	447	1301
Total	2893	1352	4245

June 30, 2011

	<u>Offer to Connect</u>	<u>Refusal</u>	<u>Total</u>
In-direct (15 days)	2054	906	2960
Direct (60 days)	854	447	1301
Total	2908	1353	4261

July 29, 2011

	<u>Offer to Connect</u>	<u>Refusal</u>	<u>Total</u>
In-direct (15 days)	2057	907	2964
Direct (60 days)	854	447	1301
Total	2911	1354	4265

UNDERTAKING

Undertaking

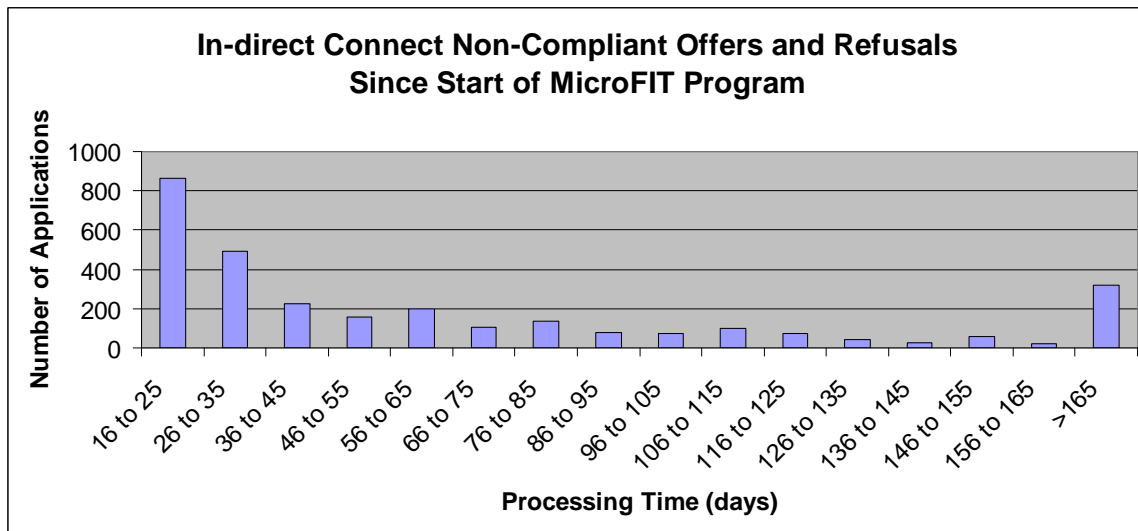
TO PROVIDE DATE GROUPINGS OF LATE APPLICATIONS

Response

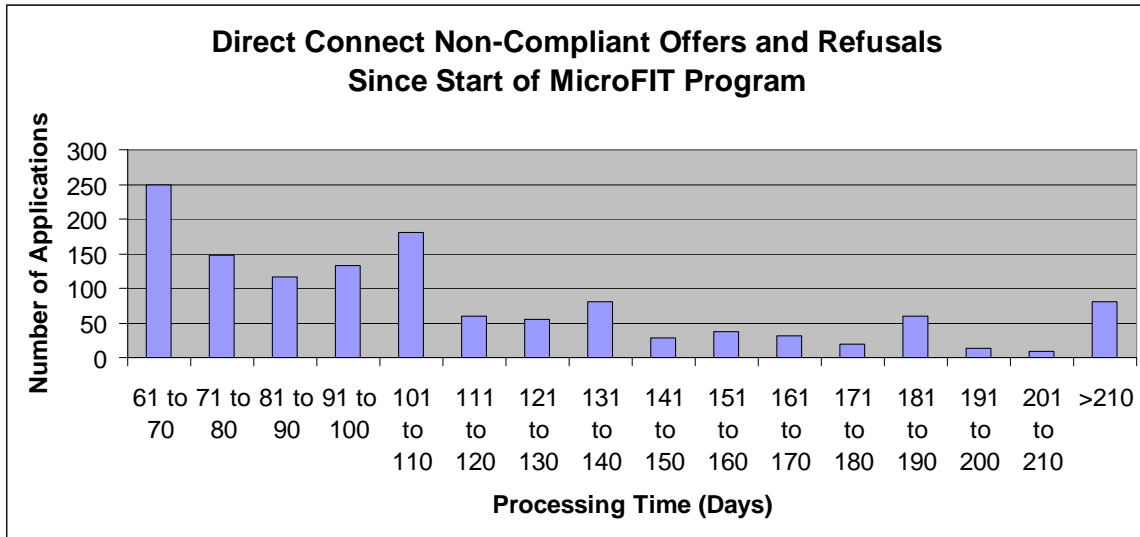
Hydro One has provided in Graphs 1 and 2, the processing time distribution of non-compliant offers and refusals since the start of the MicroFIT program, for In-direct and Direct Connections, respectively.

In early 2011, Hydro One had already begun to implement many of its process efficiencies which resulted in a modest improvement in the number and degree of non-compliance with DSC section 6.2.6. In-direct and Direct Connects which applied to date in 2011 are shown in Graphs 3 and 4 respectively.

By May 2011, Hydro One had dramatically reduced the volume and degree of non-compliance with section 6.2.6 of the Distribution System Code. This is exemplified in Graphs 5 and 6, for In-direct and Direct Connections respectively.

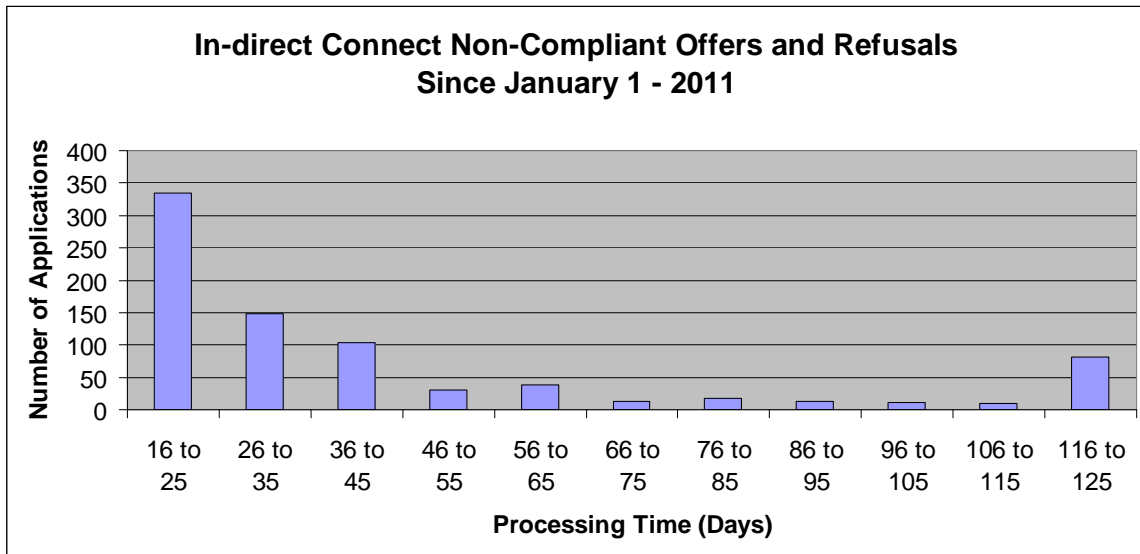


Graph 1: Processing Time of In-direct Connect Non-Compliant Offers/Refusals since Start of MicroFIT



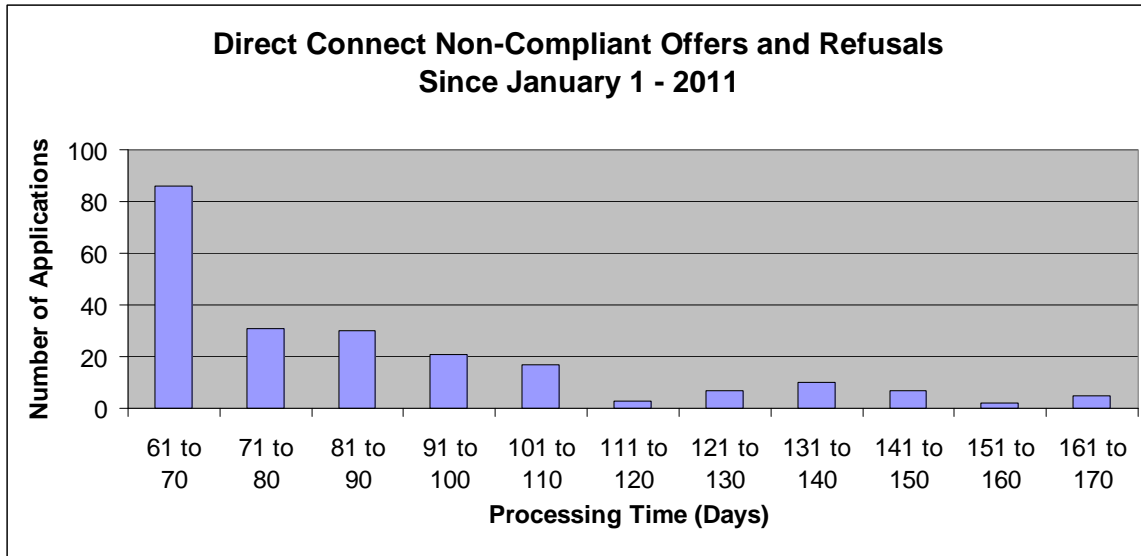
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Graph 2: Processing Time of Direct Connect Non-Compliant Offers/Refusals since start of MicroFIT



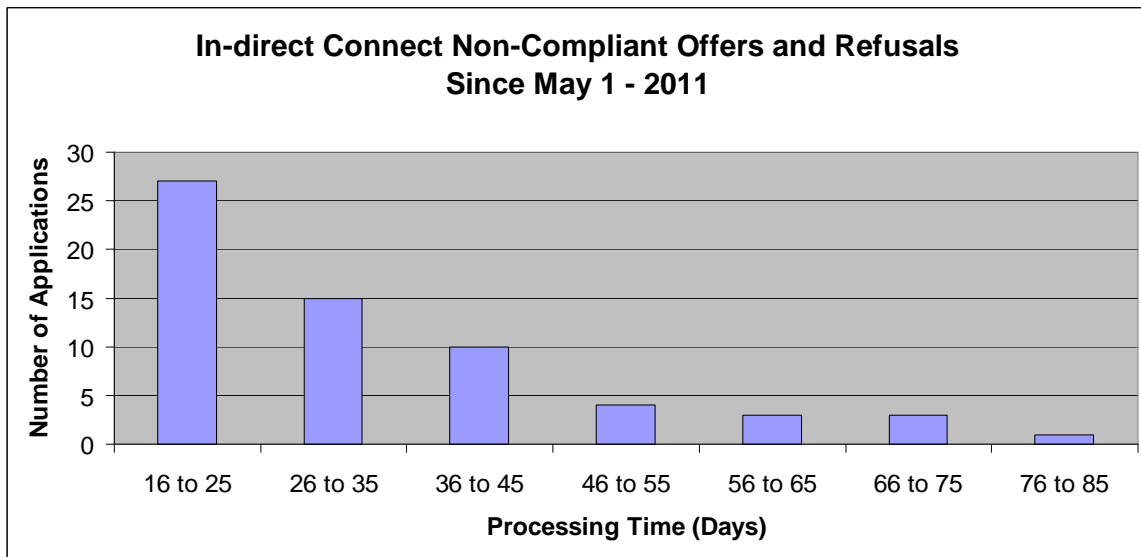
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Graph 3: Processing Time of In-direct Connect Non-Compliant Offers/Refusals since January 1st, 2011



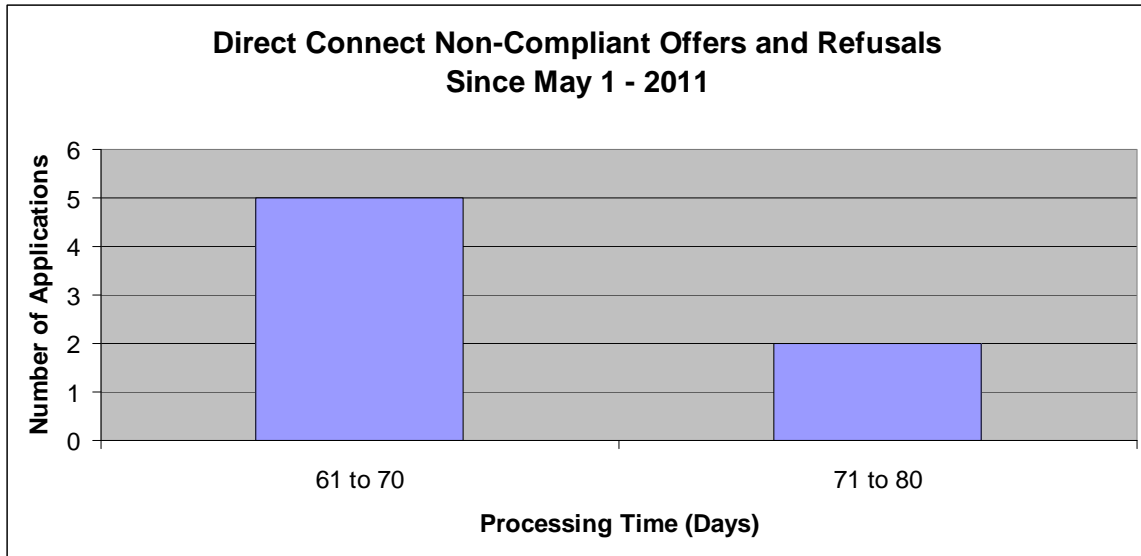
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Graph 4: Processing Time of Direct Connect Non-Compliant Offers/Refusals since January 1st, 2011



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Graph 5: Processing Time of In-direct Connect Non-Compliant Offers/Refusals since May 1st, 2011



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Graph 6: Processing Time of non-compliant Direct Connect Non-Compliant Offers/Refusals since May 1st, 2011