

VECC INTERROGATORY #2

INTERROGATORY

Reference: Evidence of Wirebury Connections Inc., paragraphs 12, 28, and 69

Preamble: “The process should not become a means for competing interests to eliminate or reduce competition or to override the clearly expressed choice of a prospective or existing customer”

“ unless there is a safety or public interest reason for not approving a service area amendment requested by a customer, the Board does not appear to have the authority to deny the requests”

“The process understandably starts with a request for connection by a prospective customer outside the LDC’s existing service area”

- a) What is Wirebury’s position on the OEB granting approval to requests for service area amendments when there is no specific customer request (for example Veridian’s current Application EB-1999-0260/RP-1999-0282)
- b) If Wirebury’s position is that such service area amendments should be considered by the Board, what criteria and process should the Board follow in the absence of a specific customer request. In particular, please indicate how the Recommended Service Area Amendment Process, as outlined in paragraphs 69 through 77 would be revised in such circumstances.

RESPONSE

- a) Where there is no specific request for service from a customer, the applicant would need to explain why the proposed service area amendment was required and why it would be in public interest for the Board to approve the amendment. Where there is no customer request, Wirebury’s position is that there is no apparent public interest reason for granting an amendment and similarly there is no evident justification to remove the subject area from the incumbent’s licensed service area. However, applications for overlapping licenses that would facilitate competition for new customers in green field or brown field areas would be in the public interest. Under this approach, a number of distributors would be licensed to own and operate distribution plant in specific green and brown field areas through overlap, so customers have choice.



- b) If successful, this model could be extended to provincial licensing, with changes to operating areas being driven by customer connection agreements. For a provincial licensing regime to work, the Board would need to approve overlapping licenses and open competition for new customers in green field and underdeveloped brown field areas across the province.

In situations where there are no or inadequate distribution lines, new customers would be free to seek requests for service from any distributor and to select the distributor offer that would provide the best service value to them. If the distributor was already licensed to serve in the overlap area, the customer would verify their choice by signing a connection agreement with the distributor and no further approval would be required as the Board would have already approved the licensing conditions and rates. The selected distributor would simply notify the Board that its operating area was being expanded to serve the new customer. Where the distributor was not licensed to connect customers in the overlap area, a customer driven application would be filed.

In situations where distribution lines are present in the overlap area, embedded connections and undisputed contiguous expansions could proceed without a review by the Board in the same manner as the process described in the previous paragraph. Applicants for contiguous expansion would need to work with the incumbent distributor to minimize any stranding and agree on the connection arrangements. Where the incumbent and applicant distributors reach an agreement, the applicant would simply file a copy of the agreement with the Board along with its notification of a change to its operating area. Where the incumbent and applicant cannot reach agreement, a review by the Board (or its staff) would be required in which the applicant would need to demonstrate that the contiguous expansion was in the public interest and the incumbent would need to justify any adverse impacts.

