

January 31, 2008

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, Ontario M4P 1E4

Dear Ms. Walli:

Re: EB-2007-0772 Proposed Amendments to the Distribution System Code and Creation of the Smart Sub-metering Code

The EDA welcomes the opportunity to comment on the Board's proposed Smart Sub-Metering Code and amendments to the Distribution System Code.

As key deliverers of conservation and demand management (CDM) programs, Ontario's local distribution companies (LDCs) welcome any initiative that will help achieve the Ontario government's targets for CDM. In that light, the EDA and its members (Ontario's LDCs) welcome the Board's opinion that "smart sub-metering of condominiums is intended to help the government achieve its conservation objectives through individual accountability for energy use and, eventually, load-shifting due to time-dependent pricing."

The EDA and its members note that, through the proposed SSM Code, individual consumers in condominiums served by a smart sub-metering company will be afforded a similar level of protection and disclosure as that provided to the individual consumers of the local distribution companies.

The requirement that an invoice for a smart sub-metering customer shall follow the requirements of Ontario Regulation 275/04 will enable these customers to more clearly identify the costs associated with the activities of the smart sub-metering company. This, in turn, will allow the customers to better determine if the costs they are paying are reasonable or not.

The EDA is pleased to see that the smart sub-metering company shall be required to use meters that meet the Ontario Regulation 425/06, including the capability to transmit to the MDM/R, even if this is not used. This provision appears to be intended to remove any technical barriers should a condominium terminate a sub-metering contract and the condominium seek to switch to another sub-metering company (private company or LDC) or to the LDC to move all the units over to direct individual residential class customers of the LDC.

The Board indicates that smart sub-metering is a competitive activity. As a result, the Board intends to provide minimum oversight that is consistent with the protection of consumers and the condominium corporation maintains its status as an exempt unregulated distributor by ensuring it recovers no more than its reasonable costs. The EDA notes that the Board has required the smart sub-meter provider to disclose its sub-meter capital investment, its depreciation method, its fees and charges for providing sub-meter services and any termination fees. Members believe it will be difficult for condominium corporations to determine whether only reasonable costs are recovered. Members have questions on whether the directors of a condominium corporation have the knowledge and expertise to be able to effectively monitor this. The EDA believes further assistance may be required and the Board should consider providing additional guidance. In addition, members have asked whether questions on this issue from condominiums and their customers that distributors receive could be redirected to the OEB.

With regard to the principle of competition, the EDA asks whether a smart sub-metering license will be valid province-wide or whether it will be restricted to specific territories. Will LDCs be able to provide smart sub-metering services outside of their distribution service territory? The EDA is concerned that LDCs wishing to undertake smart sub-metering services will be restricted in where they can provide these services while other organizations will be free to operate anywhere in the province.

The proposed smart sub-metering code does not address issues of confidentiality of customer information. Members were concerned that sub-meters could provide information on individual customers to others for marketing purposes.

The EDA members have questioned why the smart sub-metering code does not at this time mandate the use of time-dependent pricing to encourage load-shifting as will be implemented throughout the province.

Yours truly,

“original signed”

Richard Zebrowski
Vice President, Policy & Corporate Affairs

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